

NEWS SUMMARY

GENERAL

Data bank privacy scheme

The Government yesterday proposed extensive legislation to protect the privacy of personal information held in computers.

Contained in a White Paper, the proposals could lead to a code of practice covering the use of computers dealing with personal information.

New laws would establish an independent statutory agency.

Data Protection Authority.

Data Protection Committee to be set up shortly to advise

Government on how to regulate legislation.

Implementation of the proposals would give Britain some of the most stringent controls in the world. They will cover computer files at all levels of government and in the private sector. Back Page.

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Frigate thwarts inboat attacks

In attempts by the Icelandic boat Odin to cut the trawls of British fishing boats were frustrated yesterday by the late Leander placing herself between the gunboat and its intended victims. The frigate herself sailed from Rosyth for Andic waters yesterday. Her frigate, Andromeda, is leave to-day. Each warship relieved a frigate in the area.

Doctors prolong their action

In hospital doctors last night voted for a week's decision to call off industrial action—while the wording of an agreement is tightened up. Back

Mortgage pushes key prices up

biggest shortage of fresh eggs at London's Smithfield Market since the war pushed up yesterday to their best levels for this year. Egg prices will be 80p a lb more, putting the cost of an average-sized bird at £7. Comm. Page 27

Service for Miss McWhirter

Less 1,000 people attended today's thanksgiving service at Paul's Cathedral for the Mr Ross McWhirter, who passed away on his door November 27.

Troops sent to Luanda

White soldiers alleged to be captured on the Angolan front, were presented to the press by the MPLA yesterday. The men reported to have identified themselves as members of the African Army. Page 5

Age goes on

Efforts by a South African engineer to persuade a gunman to release 25 aged at Indonesia's Amsterdam consulate were unsuccessful yesterday.

briefly...

Airways services, disrupted yesterday by fog, were not able to be back to normal until well into today. Derek Eira, National Coal chairman, is to become chairman of the British Institute of Management. Men and Matters, 12.

India's new Liberal-Country Government is to hold trials next month with lawyers and unions.

Sara Jane Moore, 45, was guilty in San Francisco today of attempting to kill Ident Ford.

Indies defeated Australia in mines and 57 runs in the 1st Test. Page 2

BUSINESS

Equities 4.3 up in quiet market

• EQUITIES edged higher in a quiet market. The Government statement on Chrysler brought prices back but the FT 30-share index closed 4.3 higher at 367.8.

• GILTS were quietly firm, with gains of up to 4% by the close. The Government Securities index put on 0.10 to 58.51.

• STERLING gained 15 points against the dollar to \$2.0185. Its average depreciation narrowed to 30 per cent. (30.1), while the dollar's widened to 1.7% per cent. (1.58).

• GOLD gained 25 cents to \$139.

• WALL STREET closed 7.71 up at 844.30.

• COFFEE prices on the London terminal market rose by £13 a tonne to £787.5 on fears that

goods in Colombia may have affected 30 per cent. of its crop. Page 27

• GEM DIAMONDS marketed by the Central Selling Organisation will go up in price by an average of 3 per cent. in January, says De Beers. Page 24

• EEC Court of Justice has lifted or reduced fines imposed in 1972 on 16 sugar companies by the Commission for breaking Common Market cartel rules. Back Page

• EEC COMMISSION's plan for phasing out beef deficiency payments in Britain next year in favour of intervention buying were "completely unacceptable," Mr. Fred Pfeil told Ministers in Brussels. Page 27

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LOMBARD

A place to call their own

BY C. GORDON TETHER

SOME OF the problems that are joining forces to throw down an increasingly serious challenge to our civilisation clearly stem from built-in defects in the procedures that have been followed for ordering our economic, political and social affairs during the past 100 years. They could, therefore, presumably be fairly easily disposed of—given a general willingness in the corridors of power to accept the need for radical changes in approach. Since, for example, money was devised by man as an aid to progress, he should be capable of devising ways of ending a situation wherein it has effectively got the world by the throat.

But quite a number of the problems that are now beginning to loom large on the global horizon are very real—in the sense that is, they will not be easily resolved even if there is the greatest readiness to mobilise all the talents and energies at the world's disposal for the purpose.

In this class, without a doubt, is the matter of providing suitable housing for an "exploding" world population. And none of the conferences on international issues scheduled for 1976 will be of greater importance, therefore, than HABITAT—the United Nations Conference on Human Settlements, which is due to assemble in Vancouver, Canada, in five months' time.

Ranks high

Most of our civilisation's major failures to come within reasonable distance of satisfying the aspirations of its people have concerned only the two-thirds of the total population that lives in the less-developed countries.

Housing is one of the big exceptions. Thus, more than a half century after the politicians in this country were promising the returning war heroes of World War I that they would be providing them with "homes fit for heroes to live in," the shortage of suitable housing for less wealthy Britons still ranks high in TV discussions on social problems.

Some of the other advanced countries have done somewhat better than this so far as meeting the demand for accommodation from the indigenous population is concerned. But many of them have a bad record in relation to the provision of adequate housing for the imported labour which has furnished much of the human fire-power for their economic advancement achievements—as the shanty towns ringing round any number of continental cities graphically testify.

However, it is not going to far to say that, though the house-

ing problem of the affluent countries is of a considerable order, it pales into insignificance beside that which is now beginning to beset the Third World. The present-day shortage of houses for people to live in stems mainly from two factors. One is the growth of population and the other the drift—perhaps more appropriately the stampede—of country-folk to the towns. And both these forces are working very hard indeed in the less-developed world.

It has been estimated, for example, that between 1970 and 1975 some 73m. of people transferred their residence from rural to urban areas. Remembering that there would have been a substantial increase in the existing urban population on account of the normal population growth over the same period, it is not hard to see why vast shanty town complexes are developing on the peripheries of the major towns and cities of the Third World.

Taking the world as a whole, the number of people living in towns and cities has doubled within the last generation. In the next 25 years, given the continuance of present trends, the number will double again—with two out of three of this greatly inflated total of city-dwellers living in the developing countries. Any housing drive that hoped to get anywhere near coping with this phenomenon would obviously have to be an extremely formidable affair. And—on the world's record to date—there is not the faintest prospect of such a miracle materialising.

The flow

There is, of course, some hope that the increased importance now being attached to the advancement of rural areas in Third World development programmes will in some measure abate the problem by slowing down the flow of people from country to town—though it is important to understand that to the extent that this movement arises from population growth, the people involved would still need additional housing if it were arrested.

Yet even if this change of emphasis does all that it is hoped it will, there is still going to be a staggering rise in the number of people living in towns and cities between now and the end of the century. And we obviously cannot start thinking too soon about how we are going to tackle this housing challenge—always remembering that failure to do so could have the most appalling consequences. This is where HABITAT comes in.

GARDENS TO-DAY

Informal by design

BY ROBIN LANE FOX

FROST HAS at last interfered with gardening, though as yet there are grottoes and fanciful obelisks, Gothic pavilions and by-painting, the Chinese gardeners seemed to be feeling the selection of slightly tender climbing plants with which I in the Rococo style which began this year's columns: the shaped the paintings of Thomas Robins himself. For, in Brown's lifetime, English gardens were seen to be growing with already playing with the Chinese. While Robins painted, they were wishing to seem Chinese.

The extraordinary dream of a Chinese landscape threads its way through English literary exhortations in a course as sinuous as the lines of a landscape serpentine lake. The Rococo gardening which Robins shows us can no longer be seen in our countryside, but it finds a background in the many episodes, treatises and articles on landscape which the mid-eighteenth century had produced. While Robins was drawing so exactly, distinguishing the newly-planted trees in his park's gardens from their mature surroundings, handbooks were recommending Chinese huts and farm-houses, Chinese screens for ugly objects and latterly, of course, the Chinese Chippendale furniture. A Jesuit's drawings of the gardens in Peking had already found their place in Lord Burlington's library. But there was an argument over the relevance of the Chinese example to English taste.

To critics who had taken their stand on an informal ideal of "nature," supported by the garden's "original" history by God's activities in Eden and the Liberal view of enlightened Whigs, the news that distant China had her own antique gardens was most important. China, they concluded, had practised informality, believing that any man could see his trees in a dull straight line. But there was also the Chinese ideal of "Shawadgi": first rumoured in England in the 1880s. The word meant an informally composed object or work of art whose bold imagination struck the mind with pleasant impressions. From this conception, the Rococo taste which you can now see in Robins' gardens had drawn part of its inspiration.

These two sides to the Chinese example, the curving informality and the Rococo fine new pleasure, and there is never any harm in reflecting on an age whose idea of beauty was so closely bound to a Majesty's Works. He took the trouble to visit China, and it whose political thought was mirrored in a view of landscape which the Chinese stressed the scope, not left to itself in utter Chinese love of nature, curves opposition to a beauty which looked to France, not to the and informality. To an eye neither considers nor relates to informality. which Brown was trained on Poussin landscapes the values it exalts.

soon to practise. Above all, and the straining of park gardens towards an ideal set by painting, the Chinese gardeners seemed to be feeling for the principles of European

painters; they used curves and clumps, sparingly, however, and not in the excessive manner of Brown. In the 1770s Chambers went further. His Dissertation on Oriental Gardening stressed the Chinese taste for "terrible and surprising," for chasms, grottoes, pegodas and rich decoration. Gardens, he thought, should be natural but not "in resemblance to vulgar Nature." The landscape parks of Brown and Bridgeman were merely the "digging of holes to raise mole-hills." The Rococo prettiness which Robins reveals had already been practised in many English gardens. But Chambers, the Chinese pundit, wanted to take it further.

Now, Sir William was also a high Tory, and to an age which linked landscaped taste with political opinions, his views were a convenient cue for investigation. Into the unfettered English landscape, free and naturally ordered, he was imposing an Oriental despotism and "leaping the ha-ha of truth and common sense." Chinese principles did not, in the end, take over the English garden, but Sir William's views on ornament, surprise and terror fitted neatly into the currents which were to flow into Regency gardens and their cult of picturesque decoration.

At the other end of this taste stand the obelisks of old broken china, the Rococo summer pavilions and the Anglo-Chinese ornament which Robins' art reveals in gardens hardly known to historians before its rediscovery. It is possible to feel, as I do, that Brown was at times boring but for the most part right, that a natural landscape was not a landscape decorated with Chinese objects and that the unrestrained pursuit of prettiness, maddeningly persistent in the modern gardens of the nouveau riches, antique salesmen and readers of glossy fashion magazines.

The rediscovery of Thomas Robins, its faithful artist, is a

small consolation for the race committee which regretted that

CS and RB 11 could not be an

official entry, but it would be

sure to receive a warm welcome

in Sydney. The race is

officially—beat his rival to Dover.

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WORLD TRADE NEWS

GATT Agriculture Group fixes New Year schedule

BY DAVID EGLI

THE AGRICULTURE Group in the multilateral trade negotiations to-day overcame the long-standing procedural deadlock and agreed on a work programme for the New Year concerning products other than meat, dairy produce and grains.

The European Community put forward a proposal in line with the suggestions of Mr. Olivier Long, the GATT director-general, to by-pass the developing controversy on agriculture between the Community and the U.S. Under the proposal, the trading partners agreed to "a process of information, examination and dialogue" with respect to all tariff and non-tariff measures affecting agricultural products not covered by the existing sub-groups.

Countries will notify the GATT secretariat of other nations' measures concerning products of importance to them. Those com-

GENEVA, Dec. 16.

plaints will be circulated with a view to ultimate bilateral or plurilateral consultations.

While no date has been set for the next meeting of the Agriculture Group, it was agreed that it would decide on the future programme of work according to the way the notification procedure goes.

A part of the agreed interpretation of the Tokyo declaration, which launched the trade negotiations in 1973, is that "there shall be liaison between the various negotiating groups to ensure the harmonious and balanced development of all elements subject to negotiation."

The decision follows talks between Japan and the Benelux countries under the safeguard clause of a bilateral treaty between them. The Benelux nations pressed strongly by Philips, the big Dutch electrical concern, urged that the curbs on electronic goods such as radios, television sets and tape recorders, should be continued.

But the Japanese, obviously aware that a concession to the Benelux group could lead to stronger pressure for concessions to other countries, refused. The voluntary restrictions had been in operation since 1973.

In spite of popular pressures against Japanese goods, as far as the sensitive area of colour televisions is concerned, Japanese imports to the U.K. have been falling and this year are 40 per cent. down on 1974. Indeed, the Japanese market share has fallen from 271,000 sets or 7.8 per cent. in 1973 to 100,000 sets or 7.8 per cent. of the market in the first nine months of this year.

The overall foreign share of the U.K. market for colour televisions is much less than that for most other consumer durables, which are largely imported from Western Europe.

For example, 13 per cent. of U.K. colour televisions are imported against 24 per cent. of washing machines, 45 per cent. of refrigerators, 48 per cent. of deep freezers, and 50 per cent. of dish-washing machines.

Last month, when it was known that Japan was planning to drop its voluntary export curbs, Mr. Eric Deakin, junior Trade Minister, said in reply to a Parliamentary question that the U.K. reserved the right to use its own powers if there was an increase in the imports of colour televisions which threatened to disrupt the market.

Britain is to adopt import surveillance licensing for colour televisions and television tubes which will allow checks to be applied before the goods reach this country.

As far as the other goods on the Japanese list are concerned, the removal of curbs on dry batteries affects mainly West Germany and France and those on umbrellas affect other Common Market countries, but not the U.K., which imports umbrellas mainly from Hong Kong and Taiwan.

Car manufacturers are adamant in refusing to bow to any British pressure to restrict their exports to Britain next year, spokesmen for the new national enterprises in both countries to which the need for national enterprises in both countries to become aware of each other's technological advancement and the quality and range of goods that could be exchanged.

They explained that they expected demands for voluntary export restraint by Japan when Japanese negotiators were in London on Thursday and Friday this week to meet representatives of the Society of Motor Manufacturers and Traders.

Mr. Makindra felt that once the "psychological" in favour of the West in Iran's business community was overcome "there is no limit to the development of economic and commercial relations" between India and Iran.

Indian entrepreneurs will now participate actively in Iran's industrialisation programme. The delegation found considerable interest in Indian participation in the manufacture of equipment for the expansion of existing and the setting up of new, cement and sugar plants and in bicycles, scooters, ceramics, motor parts, machine tools, and spare parts, joint business co-operation com-

for the fast growing textile industries.

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EUROPEAN NEWS

The European Court yesterday gave its ruling in the sugar cartel case.

A. H. Hermann fills in the background to ...

The great cartel story

THE EUROPEAN COURTS judgment in the Sugar Ring case was announced yesterday in Luxembourg. It will bring into focus several issues which not only concern the European sugar cartel and the contradiction between the agricultural and competition policy of the Community, but also arise in connection with many other international cartels.

The Sugar Ring case launched by the EEC Commission as a great publicity exercise in 1973 was designed to demonstrate its concern for the consumers and to shift the blame for high prices of sugar on to the shoulders of industry.

It took several years to establish that most of the accusations could not be proved and that those that were proved had no great importance in view of the dirigiste nature of the agricultural policy of the Community. But agriculture is not the only sector of economy controlled by Brussels. Also the European Coal and Steel Community must be seen as a great international cartel by means of which Brussels can determine the conditions for many other industries.

Minute

The question behind the questions which the Court has been invited to answer is: Why should a market regulation, enforcing officially determined price limits be deemed beneficial to the Community when operated by the Commission, and detrimental to the Community when resulting from private agreements with national statutory marketing arrangements?

What makes these questions so topical is that in the present economic depression industry no less than agriculture seeks international regulation of markets. Preserving the ideal of perfect competition could hardly benefit those countries which would emerge from the depression as an industrial wasteland because the competitive advantage of other countries had proved too much for them.

The Court found the European Sugar Ring to be only a minute embellishment on the structure of the great, old-established international sugar beet cartel whose successor is the Sugar Directorate of the EEC Commission. The function of this

European cartel in its various guises has always been to pre-serve the European sugar beet industry originally developed on the Continent under the protection of Napoleon's continental blockade. The competitive advantage has been always on the side of cane sugar. But European countries did not want to be dependent on imported cane sugar for economic as well as for political reasons. Similar considerations can be advanced to justify some industrial cartels.

Like the multinational company, international cartels have achieved a certain international division of labour, of markets, and of profits, which is the objective of EEC in agriculture, and of Comecon, its East European parallel, in all sectors of economy. As they do so for their members' own good it is assumed that no public good results. It seems that the secretive world of international cartels allows of nothing but sweeping generalisations.

The area on which more light should be thrown is fairly narrow: international restrictive arrangements concerning commodity and industries where there are only a few very large enterprises operating on the basis of advanced technology. Of the 25 international cartels registered with the Federal Cartel Office in Berlin at the end of 1972, nine concerned electrical engineering, nine chemical industries, and three iron and steel. British partners participated in four of the electrical engineering cartels, in three of the chemical cartels, and in all the iron and steel cartels reported in Germany.

Contemporary British sources are more discreet. It is known only that by the end of 1974 of 130 registered export cartels still in force, 41 had international affiliations. In 12 of these Britain has been represented by purely national companies, multinational companies operating in Britain also took part in the remaining 29.

A European drive against international cartels was started by the Quinine decision of the EEC Commission, confirmed by the European Court on July 15 1970. In addition to an "official" agreement which did not apply to EEC member countries, the U.K. and the U.S., the quinine manufacturers operated also a second secret "gentleman's" agreement, extending the price

fixing and quota arrangements to those three countries or areas. The international cartel of electric cable manufacturers, operated since 1951 under the name International Cables Development Corporation, has also received the attention of the EEC Commission. But the investigation was "temporarily suspended" in 1969 when the cartel gave an assurance that it would desist from giving home market protection to its members and would operate in the future as a pure export cartel.

The next famous intervention by the EEC Commission concerned price fixing by European dyestuff manufacturers. In this case the Commission obtained a ruling facilitating future action against cartels if it was impossible to pin down any formalised agreements to that the condemnation had to be based on proving the existence of concerted practices.

One very important international cartel which has not been touched so far by the European Commission is known as the International Electrical Association which until recently had an office in London. This was the remains of this cartel recently by a case opened in Brazil by the Administrative Council for Economic Defence.

Some of the biggest names in this field were accused of conspiracy against Brazilians to sabotage the market outsiders. They include AEG-Telefunken, ASEB, Brown Boveri, Hitachi, General Electric (U.S.), Westinghouse, Siemens, and Toshiba. American companies are not allowed to participate in international cartels by U.S. legislation, and the Brazilian allegations must be particularly embarrassing to them.

This investigation follows the conclusion of a deal between Brazil and West Germany for the construction of an atomic power station and it is of some interest that about the same time reports appeared in the German business Press suggesting the need for an international cartel of European makers of nuclear power stations and nuclear engineering. Without such co-operation, it was claimed, European makers of such equipment would be unable to compete with the American industry.

There are great differences between the scope and form of different international cartels. While some are based on

Sweden 'should devalue'

BY WILLIAM DULLFORCE

SWEDEN should devalue the krona by 10 per cent. to stimulate declining exports and reduce its soaring payments deficit, the independent Economic and Social Studies Institute recommended yesterday.

The Government was also urged to introduce a 10 per cent. subsidy for industrial investments and to extend its subsidy on produced stocks to goods manufactured abroad by Swedish companies.

The institute is financed by both private and State-owned companies. Its four academics last year gave the most accurate forecast of Sweden's economic development in 1975. In their latest prognosis they paint a sombre picture for 1976, with unemployment rising to 3 per cent. of the workforce and with continuing stagnation in GNP, unless more decisive measures are taken to stimulate the economy.

The institute calculates that a 10 per cent. devaluation would help produce a 2.5 per cent. growth in GNP next year and would knock Kr.5bn. (5335m.) off the payments deficit, which it expects to fall somewhere between Kr.5bn. and the Kr.9bn. reached this year.

Paris Bourse strike plan

STOCKHOLM, Dec. 16.

The Labour Union of white-collar workers at the Paris Bourse said postal services and hospitals are likely to be affected by the strike by all its members on December 18. The unions are demanding higher salaries and improved working conditions. The number of French unemployed increased again in November to 1.02m., up from 753,800 a month earlier. Labour Ministry figures published to-day show that the number of vacancies in France's public sector are starting a "national action day" on Thursday, led by the Communist Confederation, declined to 96,200 in November from 104,900 in October and the Leftist Confederation Francaise du Travail (CFDT). AP-DJ

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All these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE
in the United States

U.S. \$50,000,000

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10% Sinking Fund Debentures Due 1995

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Merrill Lynch, Pierce, Fenner & Smith
Incorporated

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ABD Securities Corporation

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Italy wants to be centre of nuclear programme

By Robin Reeves

BRUSSELS, Dec. 16. THE European Community's ambitious thermo-nuclear fusion programme for 1976-80 was blocked by Italy here last night.

What the Italian spokesman

described as "important additional proposals" including, for

the first time, a reduction of

U.S. nuclear weapons in

Europe, was rejected by the

French, who had insisted on

the stock of the 7,000 most

obsolete, U.S. tactical atomic

weapons stored in Europe.

A well-informed East Euro-

pean source said that the pro-

posal was "an important step

towards the realisation of

the European fusion programme.

At THE 89th plenary meeting to-day's plenary meeting, virtually all the East-West troop cut talks ally rejected the projected

(MIF) the U.S. chief delegate, Western proposals as "nothing

new," Rude Pravo, the official

Ambassador Stanley Rector, now

Rude Pravo, the official

organ of the Czechoslovak Com-

mittee, remarked ironically

that the Western plans were

most "unusual" since the U.S.

Congress had already decided

to review, at the latest by 1977,

the stock of the 7,000 most

obsolete, U.S. tactical atomic

weapons stored in Europe.

Nevertheless, most infor-

mation agree that the West-

ern proposals injected a new ele-

ment of movement into the dead-

lock talks, which began here two ye-

ars ago.

Though Nato refused to re-

lease details of its new proposals,

they are understood to be identi-

cal with the U.S. suggestions which

first emerged last summer.

Unofficially, the Nato propos-

als involve the withdrawal of 15

of the estimated 7,000 U.

tactical atomic weapons

Europe, along with 28,000 U.

troops.

In return, the Soviets

withdrew one of their tank arm

of 1,700 tanks and 68,000 mi-

llions. Officially, Nato still insists

on "approximate parity" — a co-

mon collective ceiling of 700,000

troops on each side.

It is understood that, in ad-

dition to the inclusion of

nuclear weapons, the West

side also expressed willing-

ness to be "flexible" with regard

to the timetable of the reduc-

tion and the number of tan-

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HOME NEWS

Industrial output figures recover

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

WHITEHALL statisticians are figures do not necessarily provide for the first time prepared a good guide. According to the Central Statistical Office, the production index underlined the level of output by 1 per cent. in the first quarter—when it showed no change from the fourth quarter of last year—and overstatement in the second and third quarters by 1 per cent. and 1 per cent. respectively.

(The indices over this period were: first quarter, 104.2; second quarter, 100.2; and third quarter, 100.4.)

The latest index, at 101.3, is the highest since April, and includes a contribution from North Sea oil production under the heading "mining and quarrying".

Allowing for the various understatements and overstatements in the crude figures, there was little change in production between the second and third quarters and a slight increase in October.

The problem was that many of the scaled production figures are records of deliveries. During the period of rapid rundown in second world war, by the August companies' stocks, delivery October period, production was

running some 7 per cent. below the level of a year earlier.

In public comment on the figures the Central Statistical Office is still treading cautiously, talking of "a much smaller downward movement in recent months" and of the possibility that industrial output "may now have levelled out."

Portents

Two portents of upward movements to come are: one, a marked improvement in the output of the chemical industry, normally considered an advance indicator; and two, the fact that the latest Confederation of British Industry survey shows, for the first time in this recession, that more companies are expecting the volume of output to rise over the next four months than to fall.

If the upturn does take place in the next few months, it will be in accordance with the various "leading" economic indicators published by the CBI, which have been pointing for a long time to a change of trend this winter.

Given the proven unreliability of the month-to-month indices, an apparent upturn is regarded as less important than the fact that the figures are longer showing a continuing decline.

Output fell sharply in the first quarter of this year, and for some time it was unclear whether the reduction was continuing, or whether the bottom had really been reached.

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Tanker leaders frame joint demands for State action

BY JOHN WYLES, SHIPPING CORRESPONDENT

LEADERS of the world's tanker which would limit traditional industry yesterday took a bold and unprecedented step towards framing joint demands.

International Government action to help cut the chronic oil surplus which could cost the industry up to \$15bn over the next few years, was agreed by representatives of the four major oil companies and the International Organisation of Economic Co-operation and Development.

The liaison committee, whose chairman may be announced in the next fortnight, will begin work at a meeting early in January and is expected to report back to a third international gathering sometime in March.

Discussion at yesterday's meeting centred on a confidential report from a four-man working party comprising Mr. Bob Horton, general manager of BP Tanker, Mr. Jorgen Jahn, chairman of Intertanco, Mr. Otto Norland of Hamburg Bank and Mr. Lode Verne of AG Weser.

It is understood that their main conclusion was that the industry should set itself the aim

of achieving a balance between tanker supply and demand by 1978 or otherwise the surplus could continue until 1983 at a potential cost to the industry of \$15bn.

It was suggested that this loss could be cut to \$5bn, if a package of measures was urgently adopted with the backing of individual Governments.

The industry itself, while others had strong opposition to

strong Government action standing on tankers, and he asked.

Douglas offer tied to BA jet purchase

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

JRK ON the DC-10 jet airliner, £318m, and 10,000 jobs for a period of ten years, is being offered to the U.K. aerospace industry by McDonnell Douglas Corporation of the U.S. British Airways buys the latest version of the DC-10-30R. The aircraft is an ultra-long-range "superjumbo" which is being offered to British Airways under U.K. and overseas ratios. It is offered with the DC-10-30R aeroplane, it would make available to British aerospace companies 30 per cent of the total work involved in the manufacture of 78 DC-10-30Rs—leaving U.K. and overseas ratios to have a requirement in effect on all the aerospace planes it could expect to sell over the next few years worldwide. Each DC-10 would cost \$27m.

Companies which might benefit from such work included Rolls-Royce, Short Brothers and Harland, British Aircraft Corporation and Lucas Aerospace, offering its Special Perform-

majority of it is probably Government guaranteed.

The suggestion that an attack on the problem should be spearheaded by someone from outside the industry with international standing originated in the working party report which

favoured a general commitment to a package involving a range of measures including new building cancellations, accelerated scrapping, using tankers for oil storage, converting some existing tanker capacity for water ballast only and flexible loadlines.

The report is believed to contain a stern warning that unless concerted action is agreed, many shipping companies will collapse.

British Leyland has indicated that it has no intention of building its foundry capacity and will continue to rely on outside suppliers.

The foundry industry had its future bound up with Leyland's development plans because, compared with the £25m.

State assistance promised to the U.K.'s other 750 foundries, Leyland will be spending £25m on its own seven foundries.

The foundry industry had its

annual dinner in London last night.

Mr. Tim Bolton, the Council's president, indicated that only "unexpected calamities" comparable to the Korean War and the Suez crisis may be able to prevent bankruptcies caused by the tanker crisis.

"Must it be left to such events to prevent bankruptcies or can we find the elusive solution to the past to overcome the problems?"

Joint U.K. shipping company formed

By Our Shipping Correspondent

A NEW British fleet, which will account for half the world's parroted tonnage, is to be formed by the creation of a joint company involving the Tate and Lyle subsidiary, Anco Tanker Services and Panocan Shipping and Terminals.

Formation of the company, to be called Panocan, comes at a time of depressed volume

in the parcels trade, which specialises in the simultaneous carriage of chemicals, edible oils, lubricants and other bulk liquids in specially compartmentalised vessels.

The merger, which does not involve any exchange of shares and assets, means that Panocan will be operating, managing and marketing a joint fleet of 22 deep sea parcel tankers.

Equal shares in the company will be owned by Tate and Lyle and the joint owners of Panocan—P & O and Ocean Transport and Trading.

Profits will be divided on a ship value/tonnage formula, which will yield roughly 45 per cent to Anco and 55 per cent to Panocan.

Mortgage cuts meeting soon

By Michael Cassell

BUILDING societies and local authorities are to meet soon to discuss the progress of the scheme under which societies have been attempting to make good the £100m, cut from council

mortgage-lending programme early this year.

Statements yesterday from the Building Societies Association and Mr. Anthony Crosland, Secretary for Environment, both came after recent discussions between the two sides aimed at reviewing the scheme's success to date and considering the prospects for its future.

The scheme has come in for criticism from some local authorities, who have claimed that building societies will simply not help the type of mortgage applicant who would normally receive assistance from a local council.

Board of National Oil Corporation to be named soon

BY RAY DAFTIR, ENERGY CORRESPONDENT

BOARD MEMBERS of the new British National Oil Corporation will be named within the next few days and will include an ex-minister, and probably an academic and a senior oil company executive.

The Board—all part-time members—will officially take up its position on January 1 when its first task will be to organise the structure of the State oil undertaking.

Among the names to be announced in the Commons are Lord Balogh, recently retired as Minister of State for Energy. Other likely members are Mr. John Livermore, deputy-secretary at the Department of Energy, who has been closely associated with North Sea developments; Mr. William Camp, political adviser to Gulf Oil on North Sea policy over the past two years; and Mr. Ian Clark, chief executive of Shetland Islands Council.

Economist

It is also believed that Mr. Monty Pennell, deputy chairman and managing director of British Petroleum, Prof. Eddi Penrose, Professor of Economics at London University's School of Oriental and African Studies, have also been invited to join.

Mr. Pennell would be the only initial member of the Board with direct oil business experience. Prof. Penrose has travelled extensively in the Middle East and written books such as "The International Petroleum Industry".

Mr. Camp has had a foot in both political and business life, having been Press adviser to the Prime Minister in the 1970 General Election, and the energy business. He was assistant secretary of the Gas Council in 1960-63 and public

relations adviser for the Council over the subsequent four years.

But perhaps the most interesting appointment is that of Lord Balogh. He is expected to be deputy to Lord Kearton, chairman of BNOC, while at the same time, acting as special adviser to Mr. Anthony Wedgwood Benn, the Energy Secretary. Indeed, it is believed that he will be based in the Department of Energy.

This will raise the question within the oil industry about how independent BNOC will be from Mr. Benn's department. Lord Kearton, on the other hand, has stressed that he wants the new corporation to act on commercial lines in harmony with North Sea oil operators.

Obstacle to foundry aid scheme cleared

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

ONE OF the main obstacles to the success of the Government's £25m. assistance scheme for the ferrous foundry industry, aimed at helping it modernise itself, has been removed.

British Leyland has indicated that it has no intention of building its foundry capacity and will continue to rely on outside suppliers.

The foundry industry had its

annual dinner in London last night.

Mr. Tim Bolton, the Council's president, indicated that only "unexpected calamities" comparable to the Korean War and the Suez crisis may be able to prevent bankruptcies caused by the tanker crisis.

"Must it be left to such events to prevent bankruptcies or can we find the elusive solution to the past to overcome the problems?"

Mr. J. A. Howard, chairman of the company, to be called Panocan, and chief executive of Ransome Hoffmann and Pollard, the bearings group, and is a member of the Industrial Development Advisory Board.

Other members of the committee are Mr. W. G. K. Carter, a partner in accountants Price Waterhouse; Mr. Kenneth Corfield, managing director of Standard Telephones and Cables and chairman of the recently formed "Little Noddy"; Mr. R. Garland, general secretary of the AUEW foundry section and a member of the "Little Noddy".

Mr. J. A. Howard, director of Howard Machinery; Mr. G. C. Kenney, director (Supply and Quality) of Chrysler U.K.; Mr. W. J. Simpson, chairman of the U.K.'s other 750 foundries, Leyland will be spending £25m on its own seven foundries.

The company's assurance that it will not be using its tranche of Government cash to increase its capacity has allowed other foundry concerns to push on with their development plans and to approach the Department of Industry for assistance.

In the four months since full details of the scheme were announced, the Department of Industry has had discussions with 120 companies (out of just over 600 involved in the foundry industry), and had formal applications from 40 concerns of which 28 are already being appraised. The rest have been

asked for further details.

The committee set up to advise the Department on the scheme has its first meeting today. Yesterday the Department said that Mr. G. W. ("Bill") Barlow had been appointed chairman.

Mr. Barlow is chairman and chief executive of Ransome Hoffmann and Pollard, the bearings group, and is a member of the Industrial Development Advisory Board.

Other members of the committee are Mr. W. G. K. Carter, a partner in accountants Price Waterhouse; Mr. Kenneth Corfield, managing director of Standard Telephones and Cables and chairman of the recently formed "Little Noddy"; Mr. R. Garland, general secretary of the AUEW foundry section and a member of the "Little Noddy".

The prosecution alleged that with the aid of two Swiss couriers, the company smuggled substantial amounts of krugerrands into Britain at that time, in spite of the Budget prohibition on the import of gold coins.

The scheme came to light when one courier was stopped at Heathrow with krugerrands in his suitcase. The Customs investigators moved so quickly that within a few hours they had found £70,000 worth of krugerrands in the boot of a Rolls-Royce car belonging to Davies, and £80,000 in banknotes which had been used to buy coins had been traced to a house in Hendon.

Later, two Swiss youths and a Hafton Garden diamond merchant were fined for evading the rules.

But Mr. Davies claimed that he had acted only because his company had large amounts of gold "frozen" in New York when that import ban was suddenly imposed.

Mr. Colin Ross-Munro, QC, for the Banque du Rhone et de la Tamise of Geneva, asked for the money found in banknotes to be retained by the court as a civil action was pending against Barons.

The business climate should improve towards the end of next year and the "bold and wise" investment of Britain's private steel companies during the past few years would then stand them in good stead, said Mr. Ashton.

The present recession underlined the advantages of the small works over large integrated

works. The small works had the flexibility to operate at different demand levels closely attuned to the changing needs of customers.

The British private steel sector, according to the BISPA annual report, expects to have made nearly 3m. tonnes of steel this year towards Britain's total output of 20m. tonnes.

Mr. Ashton said: "The private sector has invested well and will continue to do so in a proper response to economic and market forces."

"We believe, and I think most of our critics are coming to believe, that we have an essential role to play within the British steel industry."

Atomic energy authority post for Dr. Marshall

BY DAVID FISHLOCK, SCIENCE EDITOR

THE APPOINTMENT of Dr. Sir John Hill, the chairman, to the new springs from the desire by Mr. Benn to achieve a more coherent approach to energy policy.

Mr. Frank J. Doggett, deputy chairman of the U.K. AEA, retires at the end of this month.

Dr. Marshall, aged 42, who takes up his new post immediately, retains his post as chief scientist to the Department of Energy. He is relinquishing his appointment as director of Harwell, the Atomic Energy Research Establishment.

Dr. Marshall, a theoretical physicist, has spent his career at Harwell, where he was principal architect of a highly successful programme of diversification into non-nuclear contract research.

The new director of Harwell is Dr. Lewis Roberts, one of Dr. Marshall's four programme directors responsible for its energy research programme.

The promotion of Dr. Marshall—most junior member of the U.K. AEA Board—to deputy to

January 1, 1976.

APPLE IMPORTS CHARGE CHANGE

By Our Commodity Staff

The Ministry of Agriculture confirmed yesterday that the basic compensatory amounts applicable to apples and pears during the transitional period of Britain's entry into the EEC would be reduced further on January 1.

The compensatory amounts, which are used to bring U.K. apple and pear prices into line with those in the EEC in gradual stages, are being phased out in five equal cuts of 20 per cent. of the initial amount.

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LABOUR NEWS

Unions and Wilson to discuss steel cuts

By Our Labour Staff

MR. HAROLD WILSON, the Prime Minister, has agreed to meet trade union leaders either on Friday or Monday to discuss their apprehensions over the swingeing cuts in labour costs planned for next year by the British Steel Corporation.

The unions have said already that they want the Government to intervene.

The TUC general council is to discuss the steel situation to-day, particularly Mr. Wilson's reply to the letter from Mr. Len Murray, TUC general secretary, asking for a meeting.

In Scotland, trade union leaders were given the first details of the Corporation's plans and expressed the fear that up to 5,000 of the 20,000 steel jobs in the area could be lost.

Mr. Arthur Bell, Scottish divisional officer of the Iron and Steel Trades Confederation, said that the unions had told the Corporation: "We intend to fight these issues."

Production at the Corporation's plant at Ebbw Vale could come to a halt to-day as a result of industrial action by computer staff and other white collar workers over the location of a new computer centre, the Corporation said last night.

About 500 white collar workers walked out yesterday in support of computer operators laid off for refusing to handle work not directly connected with the plant until they were promised that the new computer centre would be located at Ebbw Vale. All are members of the Transport and General Workers' Union.

The Corporation said that no production schedules were being drawn up and the plant would come to a virtual standstill within 24 hours.

Ebbw Vale is being run down but still produces about one-third of the Corporation's total plate output.

Plan for unions to make factory safety checks

By OUR LABOUR STAFF

TRADE UNION representatives would have the right to make regular safety inspections in places of work under initial proposals published yesterday for implementing important provisions of the Health and Safety at Work Act of last year.

The proposals were published in the form of a consultative document by the Health and Safety Commission, which will now seek the views of all concerned before making concrete suggestions for regulations and the drawing up of a code of good practice.

The Act gives trade unions the right to appoint safety representatives and provides for the establishment of "safety committees" where that is required.

The Commission's proposals concern the detailed implementation of these provisions, which it hopes should come into force by June.

Mr. Bill Simpson, chairman of

the Commission, said that the statutory documents held by him was to give legal backing to the employer.

Mr. Simpson said that the safety representative would have the right to call in an inspector if he suspected immediate danger, but would not have the right to stop work himself.

But the regulations and the code should provide only a basic framework within which each undertaking could develop effective working arrangements suitable to its own circumstances.

The draft regulations envisaged by the Commission say that independent trade unions may appoint safety representatives at every workplace where they are recognised by the employer.

The representative would represent employees in consultations with the employer on health and safety matters, would inspect the workplace at three-monthly intervals, and be entitled to receive "relevant information from the inspectorate and inspect" relevant

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Leyland wild cats strike continues

FINANCIAL TIMES REPORTER

THE DISPUTE over stray cats which has hit production of British Leyland's TR7 Bullet sports car, continued yesterday.

The trouble started because the cats have been wandering about the factory.

Normal work was expected yesterday after a further inspection and on the advice of the stewards. But the trim men still demanded payment and walked out, leaving the 800 assembly workers to be sent home again.

The men then decided, against shop stewards' advice, to hold a

meeting, although told by the management that they would not be paid for the time.

Later, the men went on strike, claiming that they should be paid for the 90-minute meeting—causing 800 assembly line men to be laid off.

The main reasons for the decision are that certification will allow the union to take full advantage of recognition machinery and of new regulations about safety on sites.

Legislation on safety envisages giving certified independent unions considerable control over workplace conditions through committees restricted to such unions.

This is causing building employers some anxiety, since they fear that militancy could use breaches of safety rules as an excuse for lightning strikes to close construction sites.

Safety is a major problem in the industry and the unions have long complained that non-union and "lump" workers have ignored the existing safety rules agreed between unions and employers at national level.

Under the Employment Protection Act a certified independent union can take recognition and other issues to the Advisory, Conciliation and Arbitration Service and ultimately to a new Central Arbitration Committee for an enforceable decision.

In September, when pressure from the four recognised unions brought matters to a head, CEGB officials at the power station insisted that the six applica-

tionants should join one of the four unions recognised by the Central Electricity Generating Board—the Transport Workers, the General and Municipal Workers, the Electricians and the Engineers—led to formation of an unofficial ginger group of shop stewards in Yorkshire. Later, people who believed in one union for the industry had formed the ESTU.

Membership of the ESU at the Ferrybridge power station grew to 315 out of a total manual staff of 534.

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Official awarded £130 for 'unfair dismissal'

A FORMER official of the National Federation of the Self-Employed was yesterday awarded £130 compensation after an industrial tribunal decided that he had been unfairly dismissed.

Mr. Gerald Marsden, aged 33, of St. Annes, Lancs., said that he was dismissed after being told his job as organisation and liaison officer had been completed. It was his task to organise various regions.

But Mr. Marsden told the Manchester Tribunal that there were still regions in Northern Ireland, Scotland and Kent to be organised at the time of his dismissal in July.

Mr. Richard Suffolk, representing the federation, submitted the letter of dismissal in which Mr. Marsden was told that from July 4 he "would no longer be required because of a 're-structuring of staff'". This was no reflection on his ability.

CAPITALS FOR IMPROVED PENSIONS 'IMPERATIVE'

BY ERIC SHORT

THE PRESSURE of smaller wage-packets because of short time working was causing employers to opt out of occupational pension schemes, said Mr. Harry Lucas, head of the pensions and social services department of the General and Municipal Workers' Union said yesterday. He told his union's national conference for the electricity supply industry that the pressure was the real crisis facing the pensions industry, not the highly publicised comparisons between the public and private pensions sectors.

Mr. Lucas criticised employers for the lack of communications with employees in endeavouring to make their schemes fully understood and valued.

Mr. Graham I. Ryder has been appointed a director of HARRINGTONS AND GOODLASS WALL & CO. Mr. G. H. Timms executive directors.

Mr. David Harris has been appointed director of finance, BRITISH WATERWAYS BOARD.

Mr. D. M. Stewart has joined HARRIS AND DIXON and will be the director in charge of its shipping sale and purchase department.

Mr. D. J. Harbut has been elected to the Board of BOOTH INTERNATIONAL HOLDINGS.

Mr. R. T. Pindar and Mr. R. McMillan have been appointed directors of the NORTH OF ENGLAND BUILDING SOCIETY. Mr. Pindar is chairman and managing director of Middleton and Pindar. Mr. Hudson is a director of Hudson and Lucas.

Assuming that the Government will provide local education authorities with the necessary extra funds, the details of the awards will be worked out in the Scolarship Committee on January 9.

It is likely that assistant advisers—the lowest recognised grade—will have their salaries increased by 38.9 per cent from £3,900 to £5,419.

The percentage rises will then taper off, with the highest grade moving from £8,757 to £9,534—an increase of 8.9 per cent.

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Problems reflect present attitudes

The British motor industry "will go the way of the British motor cycle industry" by the mid-1980s unless urgent action is taken to overmanning, poor productivity, excess capacity and an over-elaborate, ageing model range, according to the central policy review staff, whose report on the industry was published yesterday.

Workers in British assembly plants produce only half as much as their Continental counterparts with identical equipment and manning.

A reduction of manpower is essential in the medium term to preserve job prospects in the long term, and at least two assembly plants should be closed down. If nothing is done to stop the "vicious spiral of decline," 275,000 jobs could be lost by 1985, at a cost of £1bn to the balance of payments.

Timely action, on the other hand, could restore competitiveness, and the industry could expand to 1.9m. units annually by the mid-1980s.

The CPRS says that the basic problem is human rather than technical, and says that the Government cannot escape responsibility for giving a lead.

It must declare its determination to do whatever is necessary to make the industry viable, and to provide a more stable home market. However, aid must be made conditional on the attainment of agreed performance standards.

No surrender

In particular, Government action to support British Leyland must not be allowed to become an unconditional subsidy for jobs. This would not only surrender the chance of a viable BL, but would create impossible conditions for the multinationals, whose overseas links are seen as a major source of strength for the UK industry.

The report makes it clear that the component, commercial vehicle, mechanical and press plants in the industry are reasonably cost-competitive by European standards. The major weaknesses are concentrated in car building and assembly.

Lack of capital equipment is not seen as a major problem, except in some parts of British Leyland, which should have invested £32m. a year more than it did since 1970 (a 50 per cent increase) to keep up with competitors. The major investment required is in new models, where little productivity gain can be achieved.

The major contributions to efficiency must be sought in concentrating assembly in plants of adequate size, to avoid a heavy penalty in capital overheads; avoiding stoppages and slowdowns, the major reason for low productivity; and getting rid of excess manpower.

Both management and trade unions are severely criticised for the present situation.

Concentration

The report begins by reasserting the importance of the industry in the economy. The whole industry, including distribution and repairs, accounts for 5 per cent. of employment and 6 per cent. of investment in plant and machinery in the U.K., with a heavy concentration in the assisted areas and the West Midlands. In 1974, when the economy as a whole was in heavy deficit, the industry achieved an export surplus of £700m., of which cars accounted for only £85m.

While trade in built-up cars swung into substantial deficit in 1971, exports of knocked-down cars for overseas assembly were relatively stable.

Net exports of car components (including kits for cars with less than 50 per cent. U.K. content) rose by 21 per cent. between 1971 and 1974, on the other hand. The efficiency of the industry is poor, however. For example, the industry is among the top 5 per cent. of British industries in terms of wages, but achieves only average value added per employee, and is thus among the bottom 5 per cent. in terms of value added per £ of wage cost.

Annual Statement—Contd.

F. W. THORPE
(Manufacturers of "Thorlux" Quality Lighting Equipment)

RECORD PROFITS AND EXPORTS

The following are extracts from the circulated statement of the Chairman, Mr. K. C. BRANGWELL:

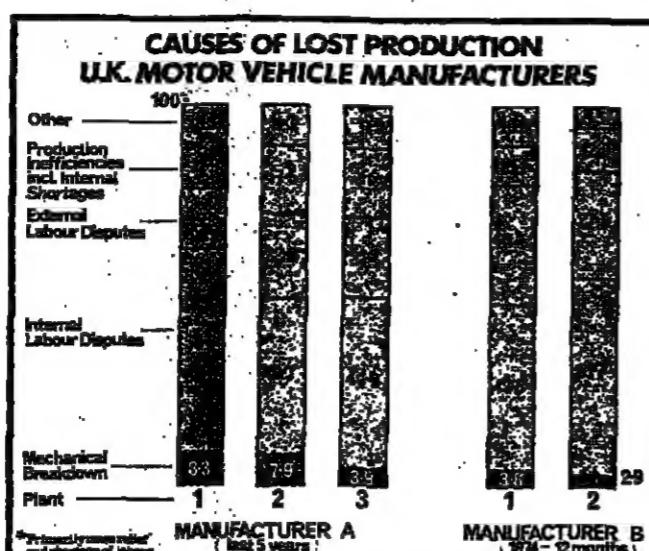
This has been a very satisfactory year in which we have achieved a pre-tax profit of £278,839 against £182,000, an increase of 53 per cent.

We have succeeded in increasing our turnover by 46 per cent. to £20,000,154, which, although in itself reflecting inflation, shows a significantly better performance in real terms.

The export figure is particularly rewarding, showing an increase of 124 per cent. over the previous year to a record £47,837. Further new agents have been established in countries not previously covered, and it is encouraging to see sales in these areas steadily rising. Visits by our Directors to the Far East, Australia, South Africa, and the Middle East are programmed for the coming financial year.

In my last report I mentioned that we had added an extension to our factory and that we were seeking further manufacturing space. An adjacent factory was purchased and we are in the process of reorganising our manufacturing areas in readiness for the increased sales we expect in the not too distant future. We have been able to improve our liquidity in such an extent that we can, ourselves, finance this increase in capacity, despite inflation.

We feel confident that inflation can be controlled within reasonable limits and we have the products to secure our fair share of a deflated market. In spite of this and in view of the economic difficulties facing us all, I find it difficult to forecast future results.



Assembly plants need a throughput of 250,000 units a year, for example, and engine plants of 50,000.

The report remarks that Chrysler and Vauxhall, in particular, suffered from opening second assembly plants at Luton and Ellesmere Port, based on an over-optimistic forecast of market opportunities.

The need to recover the high capital cost of an engine of new design, put at £150m., also tended to make the U.K. industry produce engines long after the marketing requirement was for a new design.

However, U.K. plants could still be far more profitable and competitive if they could achieve more continuous operation. This, however, would require either a market for 1.8m. units a year, or a reduction in plant capacity.

In the U.S., the domestic industry has decided to confront European manufacturers directly with new sub-compact models. European manufacturers may lose volume, or be driven to industry is judged to be fairly assembly plant had a performance

to European exports, which at present account for 80 per cent. of world exports—a better performance in relation to output than the Japanese industry yet achieves.

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More sluggish

Turning to the longer-term outlook for the European industry as a whole, the report remarks:

"The British motor industry, to a large extent, is already and over the next 10 years will increasingly become an integral part of the European motor industry. There will be no trade barriers within the EEC.

The domestic European market, says the CPRS, is likely to grow, but more sluggishly than in the past. Motoring will make its convenience appeal over public transport, but the real cost of cars, fuel and maintenance are likely to remain high, while real incomes will grow only slowly. The market will become increasingly dependent on replacement demand.

Product quality is also a severe problem at present, and could hold back the sales of British models which are otherwise appealing and competitive. This is put down mainly to low morale and disruptions to the production flow.

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However, U.K. plants

The Executive's World

EDITED BY JAMES ENSOR

David Fishlock describes GEC's research strategy

'If you can't describe it'

THREE MEN control GEC's central research programme, the hub of a \$110m. research and development effort that straddles its 82 operating companies. One is Sir Arnold Weinstock, managing director, who, says his colleagues, has the salutary habit of asserting: "If you can't describe it to me, you probably can't do it." Another is Mr. Robert Clayton, technical director, and Sir Arnold's "technological lawyer." The third is Mr. Howard Losty, director of research, who sees his role as "instructing solicitors."

Both Mr. Clayton and Mr. Losty report direct to Sir Arnold—the only research chiefs in the company to do so. Each is frequently asked: "What are you doing about this?"—where "this" may well be a pink newspaper clipping. Their mutual relationship is more complex for, although they have adjoining offices in GEC's Hirst Research Centre in Wembley, one is engaged in managing its £4m. central research programme while the other—untrammeled by executive responsibilities—is effectively technical auditor of the entire company.

All three, however, see the 52-year-old Hirst Research Centre as the heart of GEC's technical strength, from which new ideas, inventions, people, and which can be relied upon equally to spot long-term technological trends or to embark upon a scientific "fire brigade" operation when serious technical trouble strikes GEC.

To strengthen these roles—and above all its role in unifying the research and development effort right across the company—they have just completed the first major reorganisation of the Hirst Research Centre since 1960. The laboratories, gleaming in new blue and white livery, are now organised like a wheel, with materials science as its hub surrounded by five inter-related "spokes"—engineering, telecommunications, electro-optics, micro-electronics and microwave devices.

Materials science was chosen as the hub firstly because it relates crucially with each of the other research divisions, and scientists, Mr. Clayton observes secondly because it is the one that people have come to



Mr. Robert Clayton

seem to consult with most often. Over half of the laboratories' budget is subscribed by the operating companies, with the balance made up in almost equal proportions from corporate research funds, government contracts and sundry sales.

Surprisingly, perhaps, the main purpose of the materials research is not to invent new materials—something Mr. Clayton shies away from—but to acquire a deeper understanding of the materials GEC is already using, whether silicon in the case of semiconductors or glasses for its insulators, lamps and "light pipes". The research reaches deep into the manufacture of materials from which a constantly increasing performance is being demanded, and into their subsequent fabrication—all too often the cause of flaws.

"If you want to define the difference between my work and that of a university," says Mr. Losty, "it's that I will not believe a result until it's been done ten times." As for the search for brand-new materials, he believes that GEC can no longer support the project in its own interest but the work is still worthwhile, he and

the Clayton will try to place the managing director.

new material, unless you are in research elsewhere—in a unique materials business yourself perhaps. But he adds that GEC central research nowadays tends to have the much more daunting problem of persuading someone to a fairly short time cycle. An average programme would be made it. "We could sink a lot of money into exotic semiconductors that wouldn't earn effort to decide whether and which way to go. If they find themselves in the same line of research after five years they begin to ask awkward questions.

An example of this intensive attack can be found in the concept of a magnetic bubble memory which burst on the world in the early 1970s. The laboratories put a team of eight into an effort to see whether some formidable technical hurdles could be surmounted in terms of a genuine GEC requirement or market opportunity. They concluded that it was neither a vital component to GEC business nor a component that was going to sell in large numbers. "And the man in charge was the main analyst in coming to the conclusion that we should stop."

Sir Arnold Weinstock requires a quarterly report on the laboratories' progress. But Losty and Clayton have devised three controls of their own for the research programme. Least formal is Mr. Losty's Monday morning scientific meeting, when three young scientists, who have begun to make their mark in the laboratories and whose research has something in common, are given 30 minutes apiece to present their work. This is followed by the freedom for each to say what he wishes about what he is doing and how he thinks it should be treated by GEC. "But one of the rules is that nothing he says can ever be held against him," affirms Mr. Losty.

The second, more formal, is Mr. Clayton's annual review of the work of all six research divisions. Their third control is the project review, made when the project review, made when a project—say, the basic principles of a new kind of display—has made enough progress to examine its relevance to GEC. Mr. Clayton chooses the review panel and Mr. Losty reports where the project stands and where it seems to be going. Like Howard Losty's Monday meetings, it is informal and can be set up quickly in response to a discovery, a market opportunity, or a call from the chairman will have a second, and

the Clayton will try to place the managing director.

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MITBESTIMMUNG

A very German way of doing things

BY ADRIAN DICKS IN BONN

LAST WEEK'S compromise between the West German coalition parties on further participation by workers in corporate decision-making is not going to turn the Federal Republic into a "promised land." It will leave the final say over how a company is run firmly in the hands of the shareholders. And it will not give the powerful German trade unions the control they have been seeking over who exactly will sit on the workers' side of the boardroom.

As a political event, the compromise over the issue of *Mitbestimmung* attracted a good deal of attention, intended as it was to show that the Social Democrats and Free Democrats, starting from diametrically different philosophical positions, could still work constructively together. But for the two sides of industry, on whose behalf the politicians had been wrangling over *Mitbestimmung* ever since the coalition came to office, the Bill that will go before the Bundestag early in the New Year leaves much to be desired.

Goal

The trade unions were forced some time ago to face the fact that their goal of equal representation for the workers in a company's supervisory board, was not being achieved. The Social Democrats had been instrumental in bringing about the 1962 *Mitbestimmung* law, which gave workers one-third of the votes in the supervisory board. This provision had been opposed by the trade unions, both on the grounds that a senior executive could be expected to side more often with the shareholders' representatives than with his fellow-employees, and also that such an arrangement perpetuated a pernicious class division among the employees.

If all this sounds complicated enough in outline, it is a safe guess that when the Parliament's draftsmen have finished

it will be well-nigh incomprehensible. What difference will

this cumbersome system, full of checks and balances and guarantees for the protection of minorities, make to the everyday working of German industry?

Once the political dust has settled—and the Coalition is now unlikely to run into trouble from the opposition Christian Democrats on the issue—*Mitbestimmung* may well come to seem more an extension of the constructive spirit that has often characterised German industrial relations than an attempt to alter it fundamentally. There are in post-war German industrial history three important precedents to suggest

that putting employees' representatives in the boardroom is much more likely to strengthen German companies than to set them off on any radical course. In all three of these areas, German trade union members have consistently been content to leave their interests in the hands of men whose primary concern has been to safeguard employment and to work for higher wages and benefits. The new *Mitbestimmung* Bill will swell the ranks of those involved directly in company decision-making, yet there is little evidence to suggest that their concerns will be very different from what they have been in the past.

There appears to be relatively little enthusiasm at the shop-floor for the new *Mitbestimmung* Bill. The opinion polls have consistently shown that no more than about one person in 10 who will benefit from the Bill actually has strong feelings about the issue either way.

Against this background of indifference, the political parties, the unions and the employers' associations have fought long and hard over *Mitbestimmung*. Yet their battles have been more about its form than its substance. It seems certain that given the role the unions have shaped for themselves in this country since the war, the result will be to bind them even more closely to the fortunes of the prevailing social market economy and of the individual companies that make it up, rather than to reach for an unaccustomed politicisation of industrial affairs.

Mitbestimmung, in short, is a very German way of doing things in the unique context of German industrial relations. It would be unwise for other countries to expect to transplant it without very carefully preparing the ground.

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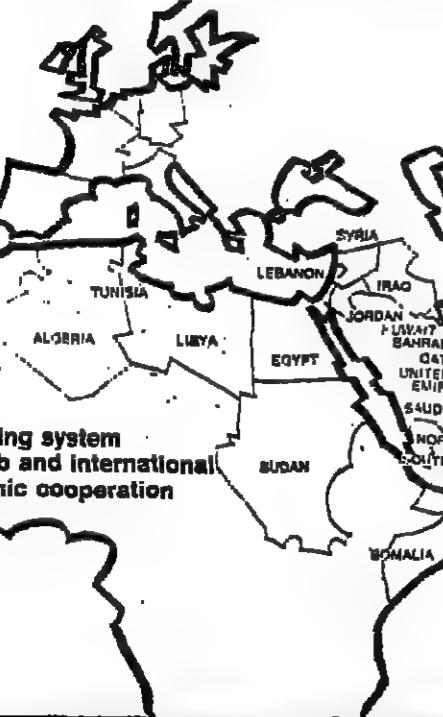
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JAPANESE BANKING AND FINANCE II

Awkward pressures on home sector

JAPAN'S 13 "city banks"—the banks with nationwide branch networks—have been feeling the pressures of recession like the rest of Japanese industry and expect to go on doing so. Their profits declined moderately in September for the third successive six-month business term and are expected to fall further still in March, though there could be some recovery in the six months after that.

A decline in profits stretching over two whole years is something new for the city banks, which have seen their profits as well as their deposits expand rapidly over the years in line with Japan's rapid economic growth. Coupled with the fact that the banks are not popular with the general public these days (partly because they are thought to lend too much of their money to industry and not enough to individuals, and partly because they are vaguely equated with something sinister called the "power of big business") the bad business conditions of the past year are inducing some hard thinking about where city banks are to go in future and how they should seek to adjust their role in Japanese society.

The reasons for the profit decline of the last business term can be summarised without difficulty. The Bank of Japan started to reduce its discount rate in April, and by November had lowered the rate (in four successive steps) by two and a half points from 9 to 6.5 per cent. City bank lending rates declined in line with bank rate. The rates are in fact subject to ceilings set by the Ministry of Finance and the Bank of Japan, so the banks were obliged to cut their rates whether they wanted to or not. Deposit rates, however, remained static (also under Government guidance) for six months after the first cut in the discount rate. These were only finally reduced, by a margin of 1 per cent, for longer term deposits, at the beginning of last month.

The freeze on deposit rates applied during the summer, and the rather small cut eventually approved in November, was the result of understandable political pressures.

Bank deposit rates are already a good deal lower than the rate of increase in the cost of living, so that the vast majority of Japanese citizens who put their savings into bank deposits are getting a negative return on their money. The Government did not wish to make their rates still more negative at a time when static increases in real wages and a record unemployment rate were already oppressing the Japanese public. The banks thus had to take a cut in their profits—and may continue to have to accept narrower deposit-lending margins than they have been accustomed to.

Another burden on the banks

PERCENTAGE SHARE OF TOTAL BANKING ASSETS

	March, 1975	March, 1966
City banks	29.1	33.8
Long-term credit banks	7.8	7.6
Local banks	19.4	19.5
Trust banks	11.7	9.7
Mutual loan and savings banks	8.9	9.0
Credit associations	11.3	9.2
Life insurance companies	7.4	6.6
Fire insurance companies	1.9	1.2
Central Agricultural Co-operative Association	2.5	3.4

this year—though not such a heavy one as some of their other small financial institutions. This trend will continue when the economy moves into the phase after the present recession—predicted to be that of absorbing "deficit-covering bonds" to be issued by the Government in order to close a budget deficit of record proportions. The city banks, together with the three long-term credit banks (Industrial Bank of Japan, Long Term Credit Bank of Japan and Nippon Fudosan Bank), have been allotted a 4.5 per cent. share of the Y5,500bn Government bond issue scheduled for the current fiscal year.

Negative

A large part of this burden will be (or already has been) taken off their shoulders in the form of open-market operations by the Bank of Japan and a lowering of reserve requirements. However, the holding of Government bonds involves a cost for the city banks in the form of a negative margin between the rate at which they acquire and dispose of bonds. There is also a fear that the Government will have to make another, even larger, issue of deficit bonds next year and that it could be less easy to absorb.

The short-term worries of the city banks include another very major headache, and that is what to do about the chronically loss-making companies which figure among their clients and which, in the current economic situation, cannot be allowed to go bankrupt.

Nursing these companies, which include a few major household names, through what remains of the banks' main responsibilities over the next six months or so. Yet on a longer view it seems that the role of the banks as the main source of capital (and often also the main source of advice and guidance) for private industry may be tending to diminish.

The accompanying table shows that the total amount of funds deposited with city banks has been falling for the past ten years as more Government expenditure has been concentrated at the regional or "municipal" level in Japan and more deposits have gone into local banks and private industry.

The requirement to shift some of their lending out of the corporate sector, which seems to be dictated both by the pressures of public opinion and by economic trends, provides a challenge which could affect the long-term profitability of banks.

A greater stress on housing and other consumer loans is probably inevitable and desirable, but will alter the balance between long- and short-term lending, which at the moment has about 65 per cent of city bank loans going into loans of less than one year.

Another avenue for the expansion of city bank business in the long run will be overseas. Japanese city banks now derive on average, about 10 per cent of their profits from overseas business (compared with more than 50 per cent. for some major American banks). But development of overseas business cannot be rushed, partly because the time needed to acquire the necessary know-how and partly because the Bank of Japan and the Ministry of Finance are cautious to allow headlong expansion of Japanese banking abroad.

Most Japanese bankers are convinced that rationalisation and/or mergers will become increasingly necessary as the banks move into the post-recession era. So far as corporatisation is concerned, the scope is by now fairly limited since Japanese banks have carried computerisation of the deposit and transfer business far as or further than any other banking industry in the world.

The field in which scope for corporatisation does exist (and is probably inevitable) is service to the consumer. The official control of interest rates for deposits by offering to pay more for them forces the industry into "service" competition. This includes such things as dispatching bank staff to customers' homes to pick up small amounts of money, telephoning customers when deposits are made to the accounts and so on.

Mergers

The scope for mergers in the Japanese banking industry is obvious from the figures. Apart from the 13 nationwide city banks Japan has 63 local banks (most of them confining the operations and branch network to a single one of Japan's 46 prefectures), seven trust banks, three long-term credit banks, 72 mutual loan and savings banks, 471 credit associations and 495 credit co-operatives.

Pooling of financial resources of some of these bodies would seem to be one way of creating a more viable banking industry (especially since some sectors of the banking industry such as the local banks tend to be predominantly oversupplied with funds while the city banks are chronically short of cash). The theoretical case for merging in any Japanese industry has been seen in the context of the situation on the ground—i.e. in banking this is not very durable to rapid consolidation. The big city banks are probably already too big to merge with one another without inviting public resentment against the supposed amalgamation of corporate power. The narrow regional bases of the local banks on the other hand argue against effective mergers unless Japan carries out a reform of its fiscal system resulting in fewer and larger units of local government.

Charles Smith
Far East Editor

Money gap

CONTINUED FROM PREVIOUS PAGE

"normal"; probably nearly half of this will come from the Trust Fund Bureau, which is allowed to lend money to local governments as well as buy their bonds. This segment is not a direct burden on the market, obviously, but must nevertheless be counted as part of the overall funding exercise.

Public Corporations, which had issues of \$8.5bn last year are expected to repeat this scale of funding (most of the stock will be privately placed).

All this gives a combined total for the public sector's long-term requirement this year of \$4bn. That is not only 48 per cent of the cumulative sum outstanding, but is also to be seen against total demands on the long-term market (that is, including all corporate issues as well), of \$33bn in 1974-75.

Needless to say this situation has been on every banker's mind for the past few months, with each waiting to see how the burden would be spread. Of course, there may be a risk of over-dramatising some of the difficulties.

Crowding is not a problem, partly because private sector requirements are down this year, but also because there are plenty of ways in which the monetary authorities can increase the overall availability of funds (those already employed have included lowering of the banks' compulsory reserve requirements, operations of the Trust Fund Bureau already mentioned, and also purchases of securities from this agency by the Bank of Japan, effectively replenishing its resources).

There is also no immediate problem for foreign banks in Japan, because they are not expected to subscribe to the public debt or hold portfolios of prescribed stock.

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Eager to win more business abroad

EVEN EAGER to attract new business abroad and to enlarge their operations on a global basis, Japanese banks continue to press the authorities of the Ministry of Finance for permission to open new offices overseas. And despite a general policy of restraining such activities in light of the general international recession, the Finance Ministry has been allowing elective advances abroad on a more or less steady basis. This process can be expected to continue for at least another year or so.

As a recent case in point, two Japanese banks are now in the process of establishing an international commercial banking facility in Brussels in co-operation with a European financial group known as the "Euro-partners" and composed of four European banks. If all goes well with the arrangement, the Long-term Credit Bank of Japan and its subsidiary will be tied up with France's Credit Lyonnais, West Germany's Commerz Bank, Italy's Banco di Roma, and Spain's Hispano-American.

In an unusual development, 0 per cent of the capital of the new venture will be provided by Japan's Long-Term Credit Bank, 0 per cent by the Mitsui Bank, 10 per cent each by the four European banks. This will be the first time for a Japanese banking institution ever to enjoy majority holding in a joint enterprise in Europe.

The Japanese see the undertaking as making it extremely inconvenient for their banks to get loans in the European market. It will certainly enhance the current standing of Japanese banking operations in the region if the event.

Another result of the latest move will clearly be increased pressure on Japan's banking institutions to seek additional concessions from the Finance Ministry. Tokyo's leading bankers for many months now have been contending that the country's exporters are increasing their business with markets outside the U.S.—especially in the European area and in the Middle East—and that this situation is rapidly changing the pattern of Japan's trade.

"As we see and evaluate such developments," commented one leading executive of a major

JAPANESE BANKS ABROAD (as at November 27, 1975)			
	Branches	Subsidiaries	Representative Offices
U.S.	37	12	14
New York	17	3	5
California	15	7	—
Others	5	2	—
CANADA	—	—	8
CENTRAL & SOUTH AMERICA	3	4	14
Brazil	—	3	11
Others	3	1	3
EUROPE	37	6	20
U.K.	19	—	4
West Germany	12	—	8
France	1	—	2
Italy	1	—	—
Switzerland	—	2	1
Others	4	4	5
ASIA	24	—	27
Singapore	5	—	7
South Korea	4	—	1
Hong Kong	4	—	8
Others	11	—	11
OCEANIA	—	—	12
Others (Africa and Near/Middle East)	—	—	16
Total	101	22	111

Source: Ministry of Finance.

Tokyo bank early in December, Western Europe and North America, it is now necessary to advance to the banking facilities in overseas financial centres of Europe but areas are merely representative also in the Middle East as well. This situation is bound to change as the authorities in Japan should take some degree of account by relaxing some of the current restraints imposed on excessive movements overseas.

Persistent

The persistent gap that continues to separate the Japanese banking efforts in international markets from their more experienced foreign competitors is, in fact, one of sophistication. Yet this gap is closing at a fairly rapid rate. Differences in approach or even understanding that Japan's banks maintained which have tended to exist in their business in times of poor economic conditions and accelerates the tempo during normal periods.

To some extent it is easy to understand why the cautious authorities of the Ministry of Finance plan to maintain their controls over advances by the country's bankers in financial markets abroad.

In November it was disclosed that Japan's banks maintained rapid rate. Differences in approach or even understanding that Japan's banks maintained which have tended to exist in their business in times of poor economic conditions and accelerates the tempo during normal periods.

There are some deviations to this general picture of well-being. Banking branches in regions outside Japan but not located either in Western Europe or Northern America have yet to receive authorization by Finance Ministry officials to issue certificates of deposit (CDs). The single exception is Singapore branches. This situation, in fact, works to prevent the branches from raising funds at profitable rates and is proving a difficult competitive problem.

The feeling in Tokyo is that this situation is distorting the business profile of the branches by forcing them to borrow at relatively higher cost and limiting capacity to obtain funds on a short-term basis to some extent.

Syndicate

And although Japan's overseas bankers are handling increasing amounts of medium-term and long-term syndicate loans for governments other than their own, in addition to the ordinary activities of such banking facilities, they remain in some ways uncertain newcomers to the field of international money operations.

None the less, Japanese bankers are obviously intent on expanding their operations throughout the world, believing that in the long run such activities will prove to be extremely important and, an excellent point, clearly essential to the continued success of Japan's trade and economy.

Using the very latest Japanese projections for their banking community, it is evident that the fledgling advances will continue and that efforts to enlarge and consolidate international financing operations will pay off eventually by moving Japan into the ranks of the world's major capital exporters.

Other optimistic predictions going the rounds of Tokyo banking circles these days include one which claims that before 1980 it is most likely that the country's foreign investments will be launched upon a rapid expansion programme. A decade from now, according to these same forecasts, investments abroad will approach \$85bn, or \$47.5bn.

The anticipation in the Japanese capital is that, with Japan second in foreign investments following the U.S. and displacing Britain, the nation's banks will have every reason to expect to assume a leading role in global financing. But even the pessimists among the Japanese bankers, who tend to consider this as wishful thinking, are willing to stand behind that same growth figure when the date of accomplishment is advanced to 1990.

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Organization of Sparkassen, Landesbanken/Girozentralen in the Federal Republic of Germany



Public Savings Banks

The German savings banks (Sparkassen) are legally and economically independent credit institutions. They are communal savings banks operated under public law. The savings banks' liabilities are guaranteed without limitation by the respective communities (towns, country), whereby all deposits held by a savings bank are fully secured. The business of a savings bank is directed by its managing board.

The supervisory body of a savings bank is the board of administration, on which the general public and the local government (a town, a country or several communities) are represented. Their tasks and activities are laid down in the articles, which allow the savings banks to do all usual banking business for their customers. Transactions for their own account are subject to some limitations to secure the deposits, e.g. savings banks are not allowed to acquire securities out of their own funds.

In addition, to the communal savings banks there is also a small number of "free savings banks." These are savings banks without a local government as guarantor. Contrary to the communal savings banks the free savings banks are subject to private law (in most cases as associations or trusts).

The savings banks offer all services of a modern banking institution. Their services are available to every private individual, every business enterprise and every local authority. The following are the most important forms of business transacted: the acceptance of all types of deposits, credit business of all kinds, encouragement of the acquisition of personal property, settlement of cashless payment transactions and all other types of banking services, e.g. transfers to payees in Germany and abroad, collection of debts, bills and receipts, execution of cheque transactions and issue of cheque cards, purchase and sale of foreign currency and travellers' payment media caring for the need of customers in the field of foreign trade transactions.

At the end of 1974 there existed in Western Germany 700 savings banks head offices with more than 16,000 branches.

Savings Banks Associations

The savings banks of each federal state are united in regional Savings Banks Associations. The tasks of the regional Savings Banks Associations are, among other things, to represent the common interests of the savings banks: to offer information and advice to the members of the Associations in all matters of savings banking; to train staff members of the savings banks and to further their professional education; to examine the handling of business and the balance sheets of the member savings banks. At the head of the regional Savings Banks Associations is the Deutsche Sparkassen- und Giroverband in Bonn (German Savings Banks Association).

It is the central representative of savings banks' interests and corresponds to the savings banks' associations on the regional level. It is the spokesman of the savings bank system in the public sphere and also to the Federal Government and parliament. Through its board and committees it influences the co-ordination of the savings banks and Landesbanken/Girozentralen, which are also its members.

Landesbanken and Girozentralen

The 12 Landesbanken and Girozentralen in the Federal Republic of Germany are operating under public law, like the savings banks. Their liabilities, i.e. also the deposits maintained with them, are guaranteed by the regional Savings Banks Association, individual Lands of the Federal Republic or big communal associations. The business is directed by a managing board of administration.

The Landesbanken and Girozentralen are the central banks of the savings banks. They act as clearing houses for the savings banks' national cashless payments. They hold the liquid reserves of the savings banks within their area of activity and effect the regional balancing of funds among the savings banks. Moreover, the Landesbanken and Girozentralen

transact all customary banking business, e.g. granting short, medium and long-term loans to industry, commerce, trade and public authorities; in many cases they provide loans jointly with the local savings banks.

The Landesbanken and Girozentralen are entitled to make issues. They issue mortgage and municipal bonds. In addition to security and stock exchange dealings the services provided by the Landesbanken and Girozentralen include foreign business in all its fields. To an increasing extent the Landesbanken and Girozentralen participate in international money and capital transactions, and, in particular, in the business of international financing.

The Landesbanken and Girozentralen assist the savings banks in their foreign business, for which purpose the maintaining of relations with foreign banks is of particular importance. On the other hand, the extensive network of branches of the German savings banks organization is utilized by foreign banks through the Landesbanken and Girozentralen.

The standard DM travellers' cheques of the German savings banks organization issued by the Landesbanken and Girozentralen and the savings banks show as drawee, Deutsche Girozentralen-Deutsche Kommunalbank, Berlin and Frankfurt am Main.

Building Societies

Along with the savings banks and the Landesbanken/Girozentralen there is a third group constituted by the 13 public building societies. These are institutions specialized in housing finance and contractual savings with the building societies form their own capital which benefit in Germany from State premiums or tax relief. The building societies grant loans to their customers at favourable rates of interest with which to finance the building or purchase of their own home and land.

Deposits and basic Capital Resources

The German credit business is sound. In the Federal Republic there is a well-balanced structure of private commercial banks, co-operative banks and credit institutions operating under public law, with special and general functions. The biggest Group among the credit institutions operating under public law is that of the savings banks (Sparkassen) and of the Landesbanken/Girozentralen. Every single deposit in these institutions is fully backed by a public guarantee. The guarantee for the savings banks is the respective local administration. The deposits of the Landesbanken/Girozentralen are guaranteed by their owners, who are usually the executive of the respective Lands of the Federal Republic and the respective savings banks.

The sources upon which the savings banks draw to set up their own capital is their net profit, after deduction of tax. The Landesbanken and Girozentralen draw their basic capital resources from the allocation of their profits to reserves and from the allocation of the guarantees, i.e. of the respective State Governments and of the regional Savings Banks Associations in those Lands of the Federal Republic. While the private banks are able to set up their own capital in different ways (issuing of new shares, participations) the savings banks are prohibited by law from doing so. The basic capital resources of the Landesbanken/Girozentralen and of the savings banks are modest in comparison with that of the private banks.

But this is not detrimental to their business transactions because the guarantees provided by the cities, communities and states have a net worth function which cover the liabilities of the Landesbanken/Girozentralen and savings banks.

DEUTSCHER SPARKASSEN- UND GIROVERBAND

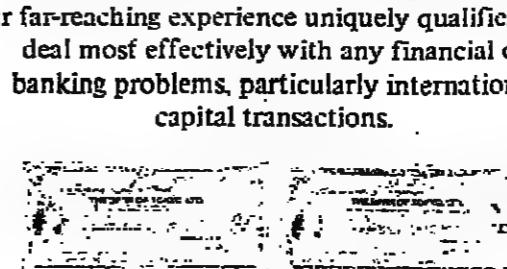
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THE 50 FOREIGN BANKS with branches in Japan represent an extremely diverse industry. They range in size from the American "Big Three" (Bank of America, First National City and Chase Manhattan, with assets in their Japanese branches ranging up to ¥850bn. (\$136bn.) to recent arrivals from developing countries whose assets are still well under ¥10bn. The longest established foreign banks, the Hong Kong Bank Group and Algemene Bank of the Netherlands, have been in Japan since before the country officially opened its doors to the outside world in the Meiji restoration in 1868. The latest arrival is the Osaka branch of the Banque de l'Indo-Chine, which opened earlier this year.

All or nearly all of the foreign banks, except possibly a few of the smaller newcomers, are likely to look back on 1975 as one of their best business years in Japan. Japanese industry has been continuously short of funds and thus only too willing to borrow from foreign banks as a supplement to its normal flow of funds from the domestic banks.

For most of the year there has been a comfortable, and sometimes a generous margin on the cost of borrowing dollars and swapping them into yen on the one hand and the income obtainable from lending yen to Japanese borrowers on the other.

Foreign bankers in Tokyo are reticent about profit levels but the figures available suggest that a bank in or near the top ten (but not among the American top three) could have earned at least ¥800bn. (nearly \$1bn.) on its operations for the year ending last September. Next year is unlikely to be as good, partly because the cost of dollar-yen swapping in Europe or the developing world operations has risen and is likely to remain high. But profits will

THE TOP FIFTEEN FOREIGN BANKS IN TOKYO

	(Total assets Yen.)	
	March, 1975	Sept., 1974
Bank of America	\$21	\$18
First National City	148	128
Chase Manhattan	702	694
Morgan Guaranty	150	123
Continental	142	157
Manufacturers Hanover Trust	102	89
Algemene	92	80
Deutsche Überseeische	84	66
Barclays International	75	65
Chemical	70	60
Korea Exchange	67	65
Hongkong and Shanghai	66	59
First National of Chicago	66	36
Dresdner	65	47
Chartered	62	52

probably still be enough to justify having a branch in Tokyo on the strength of current business results and not merely a supplement to its normal flow of funds from the domestic banks.

The dollar-yen swap operation, which is strictly controlled through quotas set by the Bank of Japan, provides one of the basic sources of funds for foreign banks in Japan. But the quotas are allocated in such a way as to favour old-established (and, some people suspect, chiefly American) banks at the expense of more recent arrivals.

The total swap "quota," which is now in the region of \$2.3bn. a year, is allocated on a seniority basis which gives each of the top American banks over \$200m. each (the figure is a common accepted guess since it is not known exactly what the larger banks refuse to disclose their quotas) and the more recent arrivals from Europe or the developing world probably under \$25m. each. Converting dollars into yen and

re-lending the yen to Japanese customers can be a highly profitable operation when U.S. or Eurodollar interest rates are low, and Japanese rates are high, and when the forward dollar (which the banks buy as a hedge) stands at a discount on the Tokyo foreign exchange market.

Six months ago, the cost of obtaining swapped yen was about 3.5 per cent. compared with a prime rate of around 13.4 per cent. when the funds were lent on to Japanese borrowers. Barclays International, another fairly recent arrival among the top ten foreign banks, who also has a small swap quota until recently been able to build up their yen operations by raising funds on the local bill discount market. The foreign banks, however, have temporarily ceased to be able to use the bill discount market because of the burden which has been placed on it by the financing needs of local banks which will shortly have to start absorbing budget deficit-covering bonds to be issued by the Japanese Government. As an alternative solution, foreign banks have estimated early in December that they were earning

ing a margin of around 1.5 per cent. on their swap operations. Despite this narrow margin the dollar-yen swap will continue to be an important source of funds for foreign banks in Tokyo and they will no doubt continue to do their best to secure a large share of the total. The quota was increased earlier this month, by some \$300m., for the first time since August last year.

However, the uneven distribution of the swap quota is meant that some banks are much more heavily than others on this form of financing. Less established banks on the Tokyo scene such as Algemene Bank Chartered and the Hong Kong Bank group are believed to enjoy generous swap quota (although the actual figures are jealously guarded secret). Barclays International, on the other hand, arrived in Tokyo only three years ago and before the recent increase was still at the basic 1.5% level so far its swap quota was concerned.

Barclays International, Deutsche Überseeische, another fairly recent arrival among the top ten foreign banks, who also has a small swap quota until recently been able to build up their yen operations by raising funds on the local bill discount market. The foreign banks, however, have temporarily ceased to be able to use the bill discount market because of the burden which has been placed on it by the financing needs of local banks which will shortly have to start absorbing budget deficit-covering bonds to be issued by the Japanese Government. As an alternative solution, foreign banks have estimated early in December that they were earning

CONTINUED ON NEXT PAGE

International loans

FOREIGN borrowing in the Tokyo capital market, which was resumed this summer after a suspension of nearly two years, is likely to be slowed down again, as Japan's balance of payments has deteriorated and the Japanese Government's own borrowings are increasing sharply. A plan for using more yen for Japan's foreign trade, which depends heavily upon dollar financing, will also have to wait until the foreign exchange reserve position improves.

Finance Ministry officials say that more than 20 foreign governments and international organisations are on a waiting list after Finland and New Zealand raised a Yen 10bn. bond each in July and October respectively this year. However, "it would be very difficult to approve another issue at this time, because the Japanese Government itself must borrow a great deal for its deficit financing."

Underwriter sources believe, however, that it would be impossible for Japan to close her capital market to foreign issuers again, when so many Japanese companies are actively floating bonds in overseas markets and expect to borrow even more in the future, as they are crowded out of the local bond market because of increasing public borrowings. They believe more foreign issues will be approved in the Tokyo capital market in 1976.

During the 1970-73 period, when huge amounts of dollars flowed into Japan to create large surplus liquidity, 13 yen bonds were floated by foreign issuers in Tokyo. They comprised six by the World Bank, three by the Asian Development Bank, and one each by Australia, the Province of Quebec (Canada), Mexico and Brazil.

The total value of the 13 issues reached Y164bn. The coupon rates ranged from 6.9 per cent. to 8.25 per cent., while issue prices were from par to 99. Yields to maturity ranged from 6.900 per cent. to 8.333 per cent. Two bonds were for seven years, five for ten years, three for 11 years and another three for 15 years.

The first yen bond floated by a foreign issuer—the seven-year, 7.4 per cent. Y8bn. bond of the Asian Development Bank—was bought 80 per cent. by Japanese banks and 20 per cent. by individuals and corporations. Banks have constantly bought about one-third of the amount of each subsequent issue, while smaller financial institutions, such as credit associations, purchased about a quarter on the average. The remainder were mostly subscribed by smaller investors, as it became apparent that whose share reached a peak of

54.2 per cent. in the case of the Y20bn. sixth World Bank issue of 1973.

Opening of the Tokyo capital market to foreign issuers was considered to be a way of encouraging outflow of dollars from Japan at a time when the yen was steadily increasing its strength because of heavy dollar inflow. An urgent seven-point external economic programme, adopted by the Japanese Government in May 1972, to avert a second revaluation of the yen, had a clause "to strive for smooth floatation of yen-denominated bonds by issuers of internationally established reputation such as international institutions and foreign governments."

But the first issuer, the Government of Finland, had to wait until market conditions improved relative to Western markets, where interest rates were substantially lower. The Y10bn. 12-year issue was floated in July with a coupon rate of 8.25 per cent. and issue price of 98 to yield 8.42 per cent. to subscribers on maturity. The second issuer was the Government of New Zealand, which floated a Y10bn. 12-year 9 per cent. bond at 94 in October to yield 9.07 per cent. Underwriter sources said the latter issue was not so successful, because it tried to anticipate a decline in interest rates here.

In the summer of 1974, when Japanese banks had difficulty in rolling over their short-term borrowings from the Eurodollar pool Vice-Minister Yoshida said Japan might be able to use more yen for its external trade instead of continuing to borrow dollars so heavily. (Total Japanese short-term borrowings from U.S. banks are estimated at more than \$8.300bn.)

During the first half of 1975, it looked as though Japan was seriously planning to shift foreign trade finance, particularly import finance, to yen creating a local market specifically for this purpose with the help of the Bank of Japan. However, Mr. Yoshida said in summer that the Ministry studied various plans for this purpose in the past, but none of them had been found practical for the time being, although he still believed that 20 per cent. to 30 per cent. of Japan's foreign trade should be conducted in yen. (Nearly all of Japanese imports and exports are currently financed with dollars.)

Similarly, opening of Tokyo dollar call market to resident banks, another form of "internationalisation" for Japanese capital market, have to wait indefinitely. In this respect, Tokyo still lags behind Singapore, where Asian dollar market is developing fast.

Saburo Matsuka

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JAPANESE BANKING AND FINANCE V

Company profits take a knock

THIS YEAR has been a disastrous one for Japanese company profits, probably the worst year that many companies can remember if the chaotic period immediately after World War II is excluded. Estimates of the extent of the disaster vary according to source—and to some extent according to the point of view of the estimator. But it is certain that one in three companies quoted on the first section of the Tokyo Stock Exchange will have reported a current loss (that is, a loss on operations plus the cost of financing) once all results are in for the six-month-business period ending last September.

The Bank of Japan, in a recently completed survey covering a wider range of companies (but still excluding many thousands of medium and small companies) found that 46 per cent of those surveyed were in the red during the six months ending in September.

BIGGEST GAINERS AND LOSERS (September, 1975, business term—Ybn.)

GAINERS	Results for six months to Sept. 30		Results for six months to March 31		% increase
	1975	1974	1975	1974	
Automobiles	64.4	39.2	64.8		
Electric power	116.8	88.4	31.9		
Electric machinery and appliances	43.9	41.8	5.5		
Non-ferrous metals and metal products	2.1	0.9	141.0		
Fishing	1.9	0.3	1,067.0		

Figures are the net outcome of combined profits or losses of all companies within the industry which have quotations on the first section of the Tokyo Stock Exchange.

Source: Yamaichi Securities Company.

The steel industry, whose size normally gives it a very major impact on the overall profit level, is likely to do marginally worse in the March term than it did last September. But the deterioration will probably be very slight so that the industry's performance will be a neutral factor in influencing the overall swing in company profits.

Industries which have turned the corner and whose results should be significantly better next March include electrical goods, chemicals, food, and paper and pulp. Those which could continue to get worse include oil refineries, cement and non-ferrous metals. There are likely to be very significant differences, however, between companies within the same industry reflecting the different policies which companies followed in coping with the early stages of the recession and the degree of their dependence on bank credit and other factors.

The phenomenon of profit "polarisation" within an industry began to be noted in the September business term (for example in the electrical industry). Hitachi almost doubled its profits in September while those of Toshiba were approximately halved. Many observers feel that gaps between the performance of individual companies will be an increasingly common phenomenon as Japanese industry pulls out of the post-crisis depression into the moderate growth period which is forecast for the remainder of the seven-year period.

Impact

The low level of company profits has had a direct and serious impact on Japan's national budget, because the Government's revenue from corporate taxation has fallen very sharply.

Quarterly figures for tax receipts from business show that in the second quarter of 1974 revenue was still running no less than 59 per cent higher than a year ago, but by January of 1975 the year-to-year rise was only 5 per cent, and by the third quarter of this year it was down by 45 per cent.

The huge budget deficit which has appeared as the result of the corporate tax shortfall will be bridged by a special issue of deficit-covering bonds for which the Government has been seeking legislative approval this autumn. Deficit-covering bonds are regarded, however, as a once-only solution to the deficit problem and will not be used again if the budget deficit repeats itself in 1976.

But opinions on how much better profits will be tend to vary considerably. The Bank of Japan in a quarterly economic review published earlier this month estimated that net profits of major companies (that is, profits less losses overall) would show a 92.7 per cent rise during the March, 1976, period over the September, 1975, level. Most private sources regard this as an optimistic figure. What is clear in any case is that profits will still be low by comparison with any normal year in pre-crisis Japan and that profit performance will be extremely uneven.

Charles Smith

Rescue

Companies which have exhausted their reserves (even in some cases to the point of mortgaging office buildings) have resorted to the second "safety net" in the Japanese corporate finance system which is to beg for help from the banks. The help has usually been forthcoming when the company concerned already has a strong link with a single bank (or in some cases with two or three "main" banks). In some cases banks have had to mount a "rescue operation" involving large infusions of extra money, special interest rates etc. to help major client companies from going under. But there have also been cases where help has been refused.

The collapse in August of the Kobjin Company with Y150bn. of debt was an instance where a group of major banks refused to undertake a rescue operation in the full knowledge that their action would mean the collapse of the company. Since Kobjin there have been many more bankruptcies. Indeed, the monthly bankruptcy rate in the six months ending September, was still able to show a profit at October and November was running at record post-war levels.

Most of Japan's deficit-ridden industries have been able to dent the recession so far by using the first method. The steel industry, for example, when combined losses of more than Y50bn. during the six months ending September, was still able to show a profit at October and November was running at record post-war levels.

The consensus is that company profits will take some years to get back to the level of before the 1973 recession, and that the Government will have its work cut out to find some permanent means of filling the resulting gap in its finances.

Charles Smith

Fruitful

CONTINUED FROM PREVIOUS PAGE

ally some 2 per cent lower on the bill discount market. A further source of yen financing comes in the form of deposits with foreign bank branches by Japanese city banks. At this has tended to be of importance only to very recently established foreign bank branches or to those whose business operations outside Japan are of particular interest.

A case in point is Grindlays Bank, which runs a small but highly profitable operation in Tokyo.

It is Grindlays Bank, which runs a small but highly profitable operation in Tokyo, which is chiefly on Japanese bank deposits lent at a handsome rate to Japanese industrial borrowers. Grindlays, which runs to have made a 21 per cent profit after tax this year, identically got special treatment in the Tokyo banking community because of its strong position in the Middle East. A form of Japan business which does not involve yen lending is the so-called "impact loan" or general purpose re-loan exchange loan to Japanese industrial borrowers. It has now settled back in the region of 13 to 14 per cent for top quality borrowers.

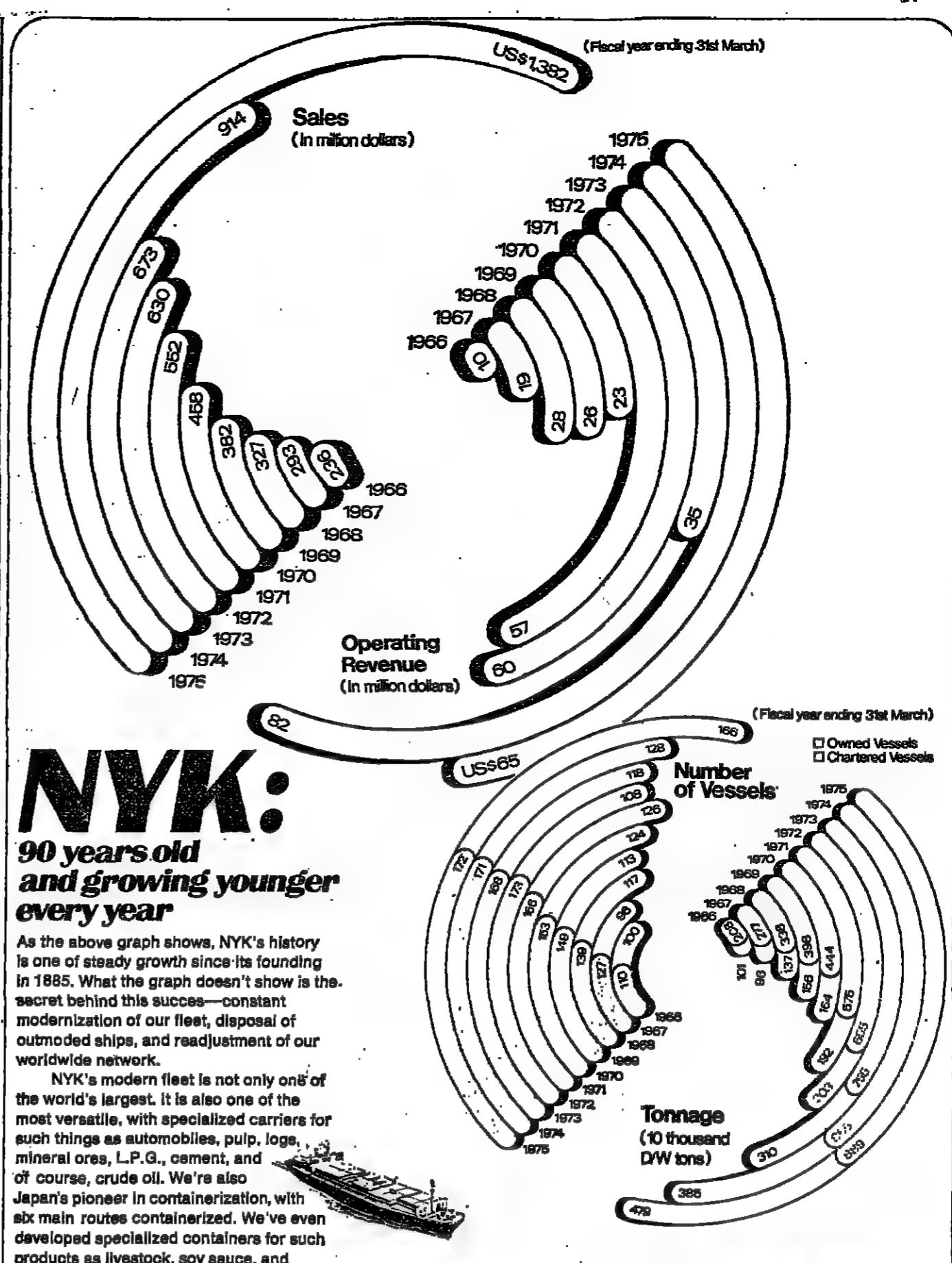
The problem of assessing who is, or is not, a reliable borrower for five years and are normally has been a major new headache for foreign bankers in Tokyo in borrowing on the Euro-during the past year, although the market, became popular some foreign banks may feel the early days of Japan that they should have worried about the chronic shortage of foreign exchange. They are popular again to-day with industries such as steel (or, in 1974, steel power) whose profits failed in August. Another had to be unsecured to Chorin Com-

pany, but had succeeded in obtaining security before Chorin controls, both on the monthly amount of guaranteed (by publicised and large-scale rescue operation in September.

The creditworthiness problem has tended to force bankers back on to the three basic principles in assessing their potential clients. They must either be very big, or they must be showing an operating profit which 40 per cent of Japanese companies failed to do in the six months ending September, usually by demanding compensation deposits from their customers. These had the effect of making the impact loan (such as Mitsubishi, Mitsui business considerably more etc.). A good deal of attractive profit than the Bank of Japan officially intends it to be. When impact loans were re-sumed early in 1974 after a gap of several years the margin over the LIBOR rate was initially between one-half and three-quarters of a per cent. The margin rose to a maximum of 2 per cent in late 1974 when funds were scarce and Japanese companies were particularly avid borrowers. It has now settled back in the region of 13 to 14 per cent for top quality borrowers.

Given the size of Japan's financial market and the profits which can sometimes be earned in it, it may be regarded as surprising that there are not more foreign banks, with more branches, in Tokyo and other major Japanese cities. The reason that the foreign bank presence in Japan remains relatively limited (although the sheer size of Japan's economy will continue to make it a place where every major foreign bank feels that representation is obligatory).

Charles Smith



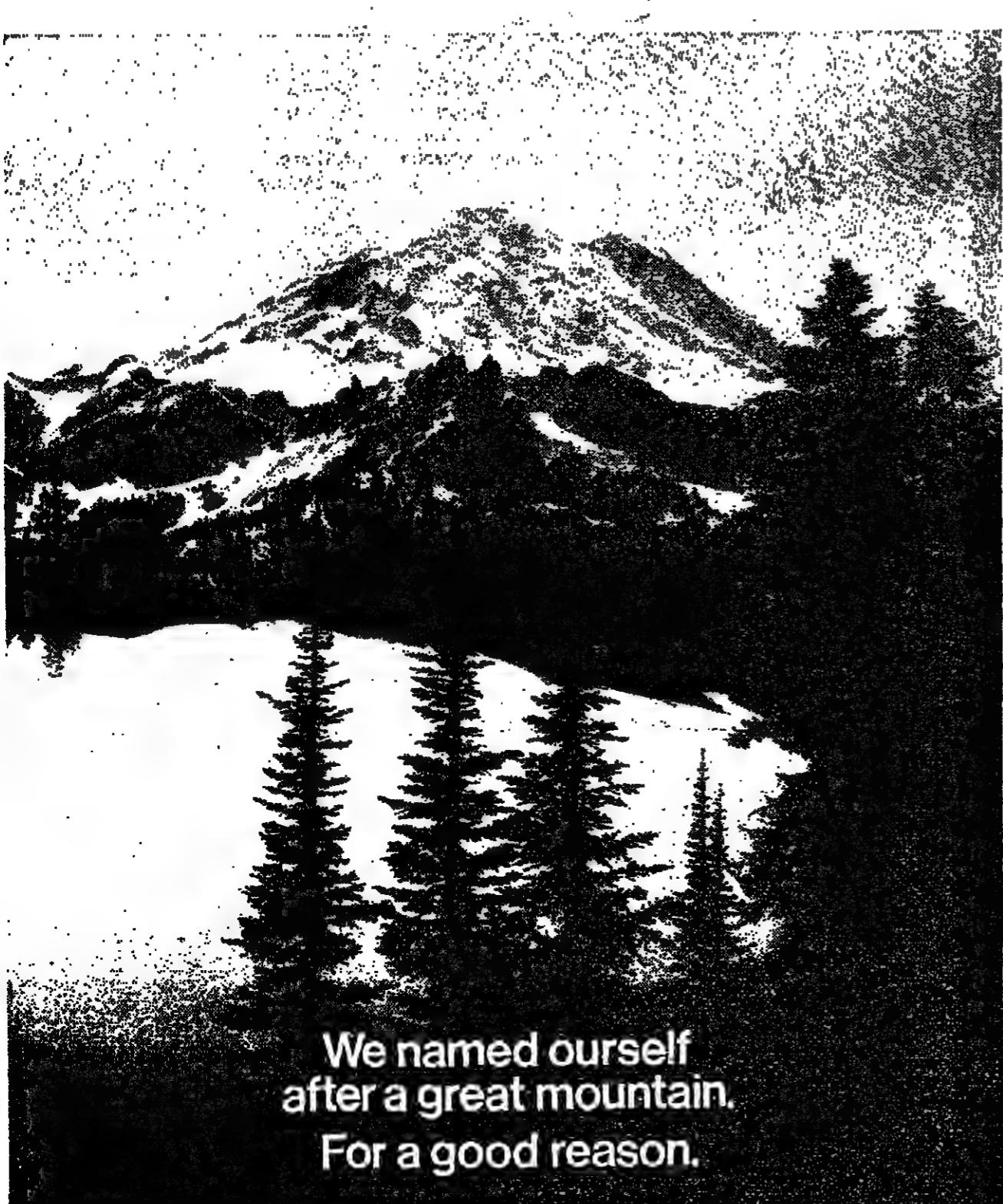
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Strong savings flow

IN JAPAN the personal savings ratio to net income after tax has been increasing in spite of the two-digit year-to-year rise in consumer prices. This attitude on the part of the Japanese depositors is entirely illogical when viewed against interest rates which are far lower than the rate of inflation. (For example, the rate for a one-year deposit is only 6.75 per cent.)

According to a survey made by the Prime Minister's Office, the average savings ratio (in this case, savings include everything except consumption—that is, deposits, cash in hand, repayment of borrowings, etc.) of all working class households reached 24.3 per cent in 1974, compared with 22.5 per cent in the previous year. The ratio this year is expected to keep to the same level as last year, as the ratios of wage bonus seasons (June-July and December) tend to be lower than a year before but those of other months have been relatively higher.

The savings ratio has been consistently rising for the past ten years from 17.2 per cent of 1965, except in 1971 when the ratio was a little lower than the preceding year. The Japanese have not changed their savings habit during the present inflation-recession period; rather has the habit been encouraged by the global recognition of shortages in energy and re-

sources. The Japanese are far and away the biggest savers in world terms. In second place are the West Germans with 12.2 per cent in 1972. Why is this so? There are four main reasons for the high savings ratio of the Japanese.

First, the rise in wages has been so rapid that it outstripped consumption expenditures. In other words, people's habitual expenditures did not increase as much as their income did. In particular, the growth of twice-yearly wage bonus was rapid as companies were wise enough to put their profits into bonus pay-

ments, keeping salary levels relatively low. Most of the winter bonus is saved, while the summer bonus tends to be spent on leisure and entertainment.

Secondly, there is a need for people to save because of the lack of welfare services. A questionnaire conducted last summer by the Saving Promotion Central Committee revealed some of the motivation behind saving. The predominant 83.2 per cent of those questioned replied that they are saving against a rainy day and illness: 55.3 per cent for children's education and weddings; 38.1 per cent for their old age, and 30.2 per cent for the purchase of land and homes.

So if the welfare system were fully equipped and they did not have to worry about illness or old age, the Japanese would probably not save as much as they do. In Japan, contributions to social welfare are considerably smaller compared with other developed nations.

For instance, the ratio of per-

sonal taxation and social welfare deposit interest rates; lend payments to total personal in-

comes was only 13.3 per cent. The Government also promotes saving, particularly in Post Office. Postal savings was 20.2 per cent (1972) in the U.K., 25 per cent (1972) in West Germany, 32.2 per cent (1972) in Sweden, and 20.7 per cent (1972) in the U.S.

Thirdly, there is a tradition of thrift and saving in Japan. The Japanese are hard workers and in general live frugally. For a long time the Government compelled people to work hard to catch up with the more industrialised nations. The money saved was invested in plant and equipment and contributed tremendously to the rapid growth of the Japanese economy.

Lastly, depositors received favourable tax treatment. Personal deposits up to Y3m are tax-free, and deposit interest is taxed separately from other incomes.

In addition to these factors, the current recession and the gloomy outlook for the economy have further promoted the saving habit in the minds of the Japanese. Even the lowering of the interest rates on main deposits by 1 per cent from November 4 did not have much influence on deposits. What happened was not that depositors withdrew their money after the interest rate decline, but that they increased their deposits as much as possible before November 4.

As a result, the expected consumption recovery did not materialise. In past recession periods, revival of personal consumption has given a lead to recovery, but this time consumers are not loosening their purse strings. Though department stores are now crowded as normally at year-end periods, people are buying carefully. An economist in a Government agency has concluded that such a saving attitude is not a temporary phenomenon any more, and so should be built into economic forecasts.

Though the Government expected some consumption recovery as a result of the reduction of deposit interest rates, it was not the main purpose of the reduction. That was to lower actual lending rates and to stimulate business activity, as without lowering

the interest rates.

Later, the system was developed as a welfare policy companies. Companies used to pay far higher interest to bank rates on internal deposit and lend funds for, say, building to an employee whose deposit had reached a certain amount. But when recession comes the system changes character and virtually free part of employees' wages.

Depositors usually do not demand money from the account, except at retirement, marriage, housing, or some other special occasion when they badly need cash, for fear of giving management an unfavourable impression.

With a large part of income being thus directed both compulsory and voluntary savings, cash in the pocket of the individual Japanese is much limited.

Atsuko Chi

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of the past
The castle at Chichen Itza,
capital of the ancient
Maya civilization
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C. S.

U.K. merchant bank presence

AT THE end of this year, the number of British merchant banks with representative offices in Tokyo will drop from four to three, when Hambros puts up its shutters in favour of running its Japanese business from London and Hong Kong.

But this lowering of their elective profile should not be interpreted as proof that, in general, the four have been suffering lately. For despite the admitted difficulties of operating in what one merchant banker here describes as a very restricted environment, subject to rigid control by the Ministry of Finance, the banks appear to have enjoyed a good year in 1975, and are not complaining.

Hambros itself has certainly lost its interest in Japan. On the contrary it feels it is well enough established in Japan to be able to expand its business through visiting executives rather than through formal presentation. Many other merchant banks have so far taken the same line. Senior management staff from such trading houses as Rothschilds, Warburgs, Hill Samuel and Virgin Grenfell are regularly going through Tokyo in attempts to tap the enormous potential of the Japanese market.

The three which have taken a plunge—and are staying— are Kleinwort Benson, Schroders and Baring Brothers, though their executives here tend to be tight lipped about the tails—as befits heads of representative offices, which have no legal status in Japan—their main activities fall into the three categories of portfolio investment management, underwriting of Japanese external aid issues and ordinary commercial banking business.

Mainstay

It is logical to deal with the mainstay of the banks operations. As far as direct lending to Japan is concerned, activity is basically restricted to "impact" loans—medium-term foreign currency loans backed by the Bank of Japan to finance imports. At first, since it is clearly the mainstay of the banks operations. As far as direct lending to Japan is concerned, activity is basically restricted to "impact" loans—medium-term foreign currency loans backed by the Bank of Japan to finance imports.

The Japanese banks have issued by the Bank of Japan to limit the amount of such from the London head office of firms they may guarantee for their clients. But Japan's foreign exchange controls were extensively liberalised last year to facilitate payment of Japan's reased oil bill—and the banks have remained at a high el ever since. According to

Finance Ministry, impact us made in the first ten months of this year totalled \$1.5bn, compared to \$2.2bn. in the whole of last year. Simply use of their limited balance together with Mitsubishi Trust at size, the merchant banks and Banking, the two plan to set up a joint bank in Brussels, a large slice of this business with the full branch offices of next year. Morgan Grenfell, the giant U.S. and European without taking the step of opening

commercial banks. Merchant bankers' descriptions of their own scale of operations.

Officially, the highest lending margin permitted on these loans is 1 per cent above the London Interbank offered rate. But it is no secret that this rule is circumvented through the payment of "compensatory" reverse deposits to the lending bank, raising the effective interest on the loans.

Problems

This can create technical problems for banks with only representative offices in Japan, since they must take the deposits in foreign currency abroad. Japanese companies are not allowed to hold dollar accounts outside Japan, so the payments must be made by a bank on behalf of the company. And sometimes, the Bank of England's guidelines on capital-to-deposit ratios can make it difficult to take on more Interbank deposits—even if they are free. By comparison, the full branches of foreign banks here can take the deposits in yen, which they can lend out locally.

The Ministry of Finance is clearly unhappy about this flouting of its rules, but in the interest of enabling Japanese firms to obtain necessary financing, it has so far turned a blind eye. Late last year and early in 1975, effective margins stood as high as 2 per cent, and even more in the case of smaller borrowers. Competition among Japanese firms for loans from foreign banks was fierce at that time, as they sought to diversify their sources of borrowing under prevailing tight money conditions at home. More recently, however, demand has slackened, and impact loans have become a borrowers' market. One merchant banker said that margins have now become "fairly tight" at slightly over 1 per cent, although he felt they could widen again next year on increased loan demand as the pace of Japan's economic recovery quickened.

Apart from the induction of loans into Japan, the merchant banks obviously regard Tokyo as a highly important client base from which to set up trade financing and loan business with Japanese firms operating abroad. A loan may be made one of the banks, for example to a Japanese/Brazilian joint venture, and the actual deal signed in São Paulo. But the impetus may well have come from Tokyo. All four of the merchant banks with offices in Tokyo at the moment have established links with leading Japanese banks. Hambros is tied up with Mitsubishi, Baring Brothers with Sanwa, and Kleinwort Benson with Fuji. Schroders has got together with Mitsubishi Trust and Banking, the two plan to set up a joint bank in Brussels, probably by around the middle of next year. Morgan Grenfell, the giant U.S. and European without taking the step of opening

Issues

Interestingly enough, the British merchant bank which has been most involved in Japanese external bond management this year is Warburgs, which has made four issues.

Of the banks with representative offices, Kleinwort Benson and Schroders have made three each, and Baring Brothers two. Robert Fleming made two issues and Morgan Grenfell one. Rothschilds led the management of an issue in December last year for Nippon Nippon Bank, but has not been involved this year.

While the merchant banks may benefit in the struggle for a slice of the action through their close connections with Japanese banks, the U.S. investment bankers have advantages of their own. Having got into the market at a fairly early stage after the war, they suffered from the closure of the external bond market for

Simon Tait

benefit in terms of many other foreign currencies. Another factor in the situation was the tendency of Arab governments and other holders of oil dollars to broaden their investment outlook around the end of 1974.

Arab investors were partly responsible for the net inflow of foreign money into Japanese bonds which began just before the end of 1974. Early this year there were one or two cases of major direct purchases of Japanese shares (mostly in the biggest and most widely known industrial companies) by certain Arab Governments. In addition the latter deposited money with London merchant banks, and the merchant banks then used part of those funds to buy Japanese securities.

Western Europe is cited as the origin of the overwhelming majority of the funds which

have found their way into Japanese securities this year.

Japan was that the country appeared, around the end of 1974, to be achieving greater success

that most other developed oil crisis. The balance of payments (and subsequently also

the yen exchange rate) looked strong from the last few months of 1974 at least until summer

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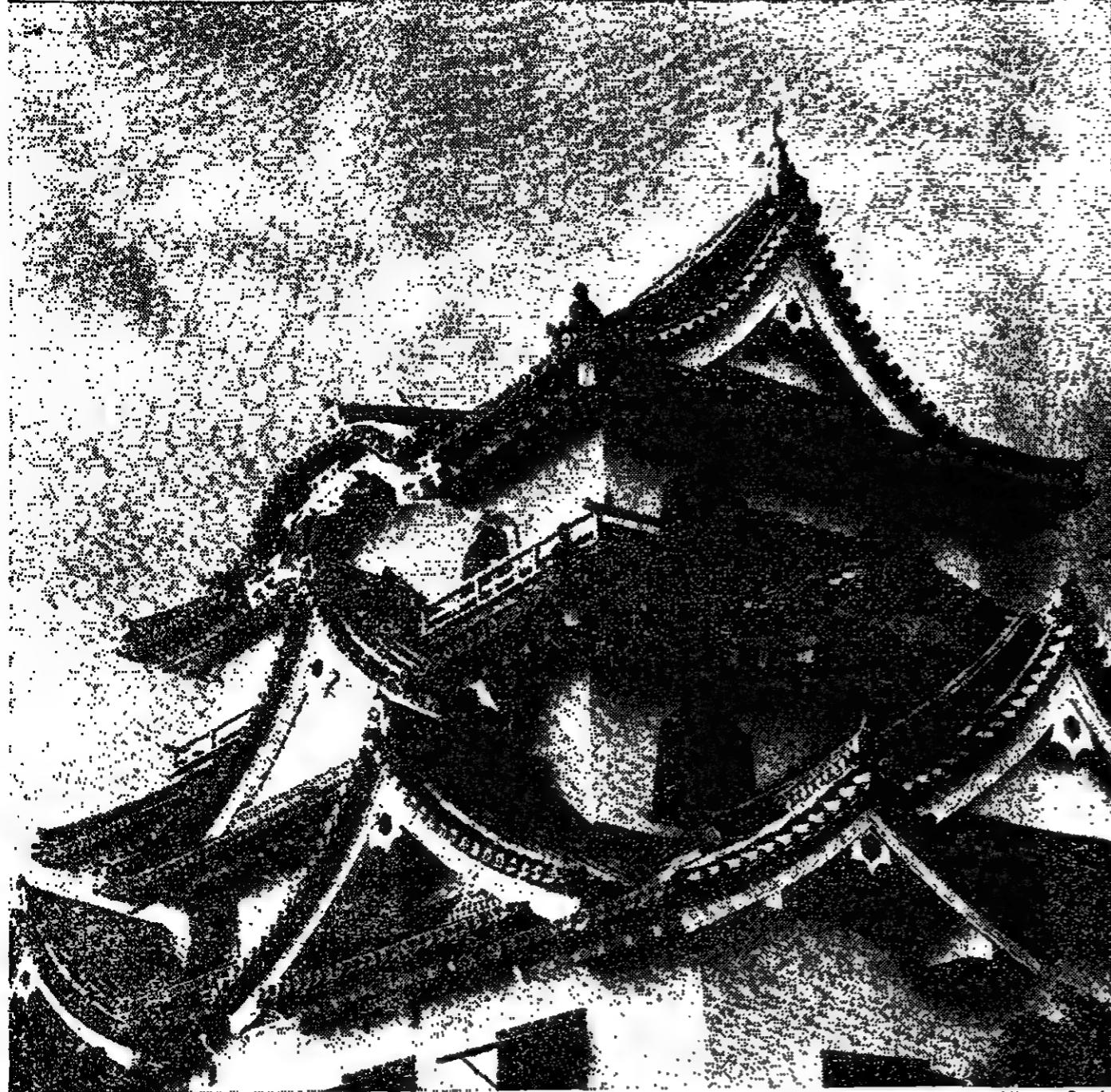
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& Banking Corporation**

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HEAD OFFICE: 1-1, Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan, Tel: 03-251-1001, Telex: 111-1001, 111-1002, 111-1003, 111-1004, 111-1005, 111-1006, 111-1007, 111-1008, 111-1009, 111-1010, 111-1011, 111-1012, 111-1013, 111-1014, 111-1015, 111-1016, 111-1017, 111-1018, 111-1019, 111-1020, 111-1021, 111-1022, 111-1023, 111-1024, 111-1025, 111-1026, 111-1027, 111-1028, 111-1029, 111-1030, 111-1031, 111-1032, 111-1033, 111-1034, 111-1035, 111-1036, 111-1037, 111-1038, 111-1039, 111-1040, 111-1041, 111-1042, 111-1043, 111-1044, 111-1045, 111-1046, 111-1047, 111-1048, 111-1049, 111-1050, 111-1051, 111-1052, 111-1053, 111-1054, 111-1055, 111-1056, 111-1057, 111-1058, 111-1059, 111-1060, 111-1061, 111-1062, 111-1063, 111-1064, 111-1065, 111-1066, 111-1067, 111-1068, 111-1069, 111-1070, 111-1071, 111-1072, 111-1073, 111-1074, 111-1075, 111-1076, 111-1077, 111-1078, 111-1079, 111-1080, 111-1081, 111-1082, 111-1083, 111-1084, 111-1085, 111-1086, 111-1087, 111-1088, 111-1089, 111-1090, 111-1091, 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Christopher Lorenz examines yesterday's White Paper on computers and privacy

A program to protect us from the power of the computer

ESTERDAY'S White Paper on computers and privacy could make detailed proposals which would be difficult to put into effect except through a licensing Authority—which is just what the British Computer Society, on behalf of the computer world, has been advocating. However attractive it may be for civil servants to hope that they will not have to go to an independent licensing body for permission to establish each computer file, or to transfer information on such files from one Government department to another, the Ombudsman's option mentioned in the White Paper is inconsistent with its whole approach.

Nevertheless, the fact that the White Paper is almost three years late in publication gives some hint of the battles which must already have gone on behind the Whitehall scenes.

Whether the hardliners will continue to get their way during the coming months of debate remains to be seen.

The essence of the White Paper's approach is expressed in an unusually straightforward terms for a statement of Government policy. "The time has come when those who use computers to handle personal information, however responsible they are, can no longer remain the sole judges of whether their own systems adequately safeguard privacy.

The safeguards must become subject to independent scrutiny . . ."

"How computers affect a person's life depends on how they are used—or abused," it continues. Their benefits are light of particular circumstances.

The best-known cases of invasion of individual privacy through the abuse of computers and in making public information—fall into category (b); expert cracking of computer codes to effect massive damage can be done if misused.

The White Paper succinctly

describes the three main sources of potential danger to privacy: (a) inaccurate, incomplete or irrelevant information; (b) the possibility of access to information by people who should not have it; and (c) the use of information in a computer file's saying that a bankruptcy petition was sent against a given individual on a certain day.

But (a) and (c) represent a far more widespread, if less noticeable, threat. In the private sector, the White Paper itself quotes the possibility of

in a computer file's saying that a bankruptcy petition was sent against a given individual on a certain day.

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perfectly accurate, but misleading if it did not add that the petition was dismissed with costs a fortnight later. There is a wealth of possible—and in the U.S. actual—examples of how an individual's creditworthiness can be destroyed by inaccurate or incomplete information on the file of a credit agency.

These are private sector examples, but the most acute anxieties about the possible consequences for privacy of the computerisation of personal information lie in the public sector.

It is in central Government

and memory storage, the growth

of networks containing a host

of terminals in communication

with at least one computer,

along with other factors, are

combining to spread computers

and large-scale memory banks

more widely than ever before:

only 5 per cent of the potential

computer applications have yet

been touched, in the view of

senior industry executives.

One of the White Paper's most important proposals concerns the transfer of information from one computer file to another. It is here that there has been particular public concern about existing practice.

Information from the controversial new vehicle registration centre at Swansea is already being transferred to the police computer in Hendon, for example. Harmless enough, perhaps to many people's minds, but the news in January that the Home Secretary was, in turn, to allow Customs and Excise to have access to the police computer prompted the British Computer Society to underline the need for Government action "to ensure that citizens' rights are not eroded."

The basis of the White Paper use of computers which accompanied yesterday's White Paper system. With legislation maybe three years away, the Data Protection Committee will be established to advise the Government on the details. It is clear that the attitude of the Committee's six or seven members could be crucial in deciding the future shape of the law, though the eventual Bill is bound to be hotly debated in Parliament as well.

The only exceptions to all this are intended to be computer information systems kept "for the strict purposes of national security" (as decided by the Home Secretary), some of the police systems, and certain medical records.

One of the major issues which the Committee will have to decide is whether the Ombudsman system would be powerful enough to provide and ensure the myriad of safeguards mentioned in the White Paper; would it, for example, be able to provide the "scrutiny and control" (our italics) of the linkage of data from different systems? Would it fulfil the aim of keeping the cost of privacy controls to a minimum? It would have to be financed by the Treasury, whereas the user could finance the tougher licensing authority. Since the Government warns that "considerations of finance and manpower" must influence "the timing and content" of the entire measure, this could be a crucial factor if legislation on computer privacy is to be written onto the Statute Book by 1980, or even 1984.

The Report on public sector

(full year): Trafalgar House Investments

Unisite (half-year): COMPANY MEETINGS

Bellair Conference, Winsford, Cheshire, 11.30am

British Industries and General Investment Trust, 117, Old Broad Street, EC 2, 2.30pm

Low (W.M.), Dundee, 12.15pm

Sanderson Murray and Elder, Bradford, 12.15pm

Southern India Tea Estates, Sevenoaks, 12.15pm

Yorkshire and Lancashire Investment Trust, Manchester, 12.15pm

SPORT

Soccer: Scotland v. Romania, Hampden Park, Glasgow.

Show jumping: International championships, Olympia.

Letters to the Editor

Get production moving at BL

The Chief Executive, or Group.

The prospects for the British motor industry are bleak and the whole community is to lose much if the present decline continues. The

situation has been

at the door of under-

investment, poor management,

industrial relations, low

productivity, poor standards of

life, etc. etc.

The sector of the industry

which has emerged relatively

well is the all important

and—the retail motor

industry. Collectively the dealers

have always managed

all the products of our fac-

tories—good or bad. In fact, of

the millions of cars produced

the past year, I do not

one of one which remains

id. current stock excluded.

Or a medium sized group

British Leyland distributors

I am constantly frustrated

to shortage of new car stock,

near enough to the problem

now that if British Leyland

I produce the current range

is sufficient numbers we

greatly increase sales.

The British Leyland dealer

is strong and well estab-

lished throughout the length and

depth of the country, and I

no doubt they could rise to

challenge of achieving

or levels of sales. I need

to add that their success

brings confidence to the

management team at

British Leyland. Improve our

balance of payments, provide full-time employ-

ment for thousands of people.

We enter the critical early

part of 1976 it is of vital im-

portance that British cars are

able for immediate sale

throughout the U.K. Of the

problems that face the in-

dustry none is more urgent than

need to get the production

moving and ensure ready

ability of British cars in

our showrooms. Failure to

do this will inevitably result in

further contraction of our

car producers.

Wakefield Road,

Leeds.

Mr. M. Minter.

The Government's plans

for Chrysler typify all that is

bad about the attitude of post-

administrations to the

agreement of the economy.

The protection of vested

interests is to be put above

all industrial considera-

tions. Public money is to be

at the disposal of a particu-

lar company (an American one

in this case), thus postponing

adoption of realistic policies

regard to investment and

employment.

co again political considera-

have triumphed over

commercial common-

Brave words about curb-

the growth of State spending

not matched by deeds. The

body of taxpayers will

to bear the cost of appeas-

ment union leaders

disgruntled Scots who may

use their votes to the

hollies.

will be more difficult than

to put across the message

earnings depend on produc-

the impression grows that

the right price and the right

amount and the right

time to deliver the right goods

the right price for less than

the right amount and the

right time to flex muscles and

the right hand-outs.

The only hope of escape lies

Less beef in the diet

From Mr. J. Setford.

Sir.—What a pity it is that the

qualities of single-mindedness

displayed by the police in dealing

with the recent sieges are not

also displayed by the govern-

ment in dealing with our

economic problems.

The abandonment of a

policy of import controls

is a sensible answer. Proportional

representation of the population

reflecting the wishes of the popula-

tion is the only one which is

likely to bring about a more

stable and more effective

system of import controls.

It is a sensible answer.

John Setford.

COMPANY NEWS + COMMENT

LRC 30% ahead after six months

FROM A 12.2 per cent. improvement in turnover LRC International achieved a 29.9 per cent. expansion in pre-tax profits from £1.85m. to £2.4m. in the six months to September 30, 1975.

And chairman Sir Edward Howard says that it is hoped that in the full year recovery measures will allow a return to levels of profit and dividend approaching those of 1973-75—when profits totalled £5.24m.

The interim dividend in respect of the current year is raised from 5.85p to 1.05p net per 10p share. Last year's total was 2p per share.

Sir Edward states that results for the six months reflect the extensive rationalisation implemented since the beginning of this year. With contracts now firmly established and others coming on stream—of which the most significant in the U.K. is the formation of a home sales and marketing company, LB/Santitas, which will handle protectives and housewives and most of the range of Santitas products—the group is reaping the benefits of creating a slimmer and healthier company.

Half year Year
1973 1974 1974-75
Turnover £1,873 2,010 2,400
Trading profit 594 714 1,045
Interest 584 585 1,659
Profit before tax 2,602 1,805 2,955
Taxation 1,130 1,018 711
Net profit 48 58 84
Extra-ord. credit 132 131 131
Minority interests 1,128 890 890
Dividends 410 258 528

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Burton Group	23	1	Motor Rail	24	2
Crane's Screw	22	4	National Developments	24	
Danks Gowerton	22	6	Premier Oils	23	6
Duple International	22	7	Tex Abrasives	24	3
I.C. Gas	23	3	Thorpe (F. W.)	23	4
Investment Co.	22	3	Ward & Goldstone	23	3
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balance on profit and loss account has been eliminated and now shows a credit in excess of £100,000 members are told. This sum is expected to increase in the full year.

The directors believe that the reversion in status to an investment company only will have advantages in the long run, barring more disastrous economic conditions. With this in mind they are paying an interim dividend of 3.75p net per 25p share. Last year there was one dividend of 0.75p. Subject to continued progress this should be increased for the present year to the maximum allowable.

an annuity of £1,765 per annum for a man aged 65 or £1,539 per annum for a woman aged 60, the annuity being paid in half-yearly instalments.

Increase for British Car Auction

FIRST HALF (to November 30) profits of British Car Auction Group have risen from £402,500 to £507,700.

Chairman Mr. D. Wickens says the "steady but not sensational" recovery in business which was reflected in the May accounts has continued, despite the restriction in the flow of used vehicles coming on to the market because of the disappointing sales of new cars.

The first two auction sales of antique furniture and fine art by Aldridges have been successful. Further sales are planned throughout 1976, with the next two scheduled in January at Somerton, Somerset.

Half year Year
1973 1974 1974-75
Auction proceeds £6,000,000 20,000,000
Profit before tax 207,700 462,500
Taxation 164,700 398,300
Net profit 245,000 182,200
Extra-ord. credit 72,400 46,200
Minority interests 11,100 8,800
Dividends 410 258

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Northern Devels in assets dispute

ACCOUNTANTS Peat, Marwick, valuation of the land made by an Mitchell, whose partners are independent firm of chartered acting as receivers to the surveyors.

Northern Developments housing "It is the valuation together group, yesterday denied reports with this increase which the that there was a surplus of assets over liabilities when Williams and Glyn's Bank, as debenture holders, appointed receivers on June 2.

The figures showing the surplus are based on a consolidated statement of affairs which the Board of Northern Developments (Holdings) has as a legal obligation.

It is, however, only in draft form and values. Mr. Barnes, he said, had not been formally submitted to Peat, Marwick, Mitchell.

Mr. Michael Somerville, Mr. Somerville said that Peat manager of the accountants' Marwick, Mitchell—two of whose London insolvency department partners, Mr. Rupert Nicholson said yesterday that they had felt and Mr. P. J. Bell are receivers forced to take the unusual step to the parent company, with others of issuing a statement because of the partners' receivers to the sub-reported comments by Mr. Derek Barnes, chairman of Northern Developments whom the receivers have forbidden to play any liabilities, even if it had existed.

The timing of the statement did not alter the debenture

holders' position in appointing

receivers if those assets were not liquid.

The statement from the

receivers said that interest con-

tinues to run on Northern

Developments' borrowings of

some £2m. and would rank in

priority to unsecured creditors'

in the point of disagreement between receivers and the company directors is a valuation of Northern Developments' land

bank and work-in-progress made

for the receivers by W. H. Robi-

son, a Manchester firm of char-

tered surveyors.

Peat, Marwick, Mitchell's state-

ment yesterday said that the

directors' statement of affairs is

the "best advantage.

"The joint receivers do not

accept the accuracy and they

deny the relevance of the state-

ment which is not for an in-

crease of some £3m. which the

directors had made over the

the during the receivership."

First half setback at Robt. Moss loss

REPORTING a fall in pre-tax profits from £234,062 to £272,027 for the half year to September 30, 1975, the directors of Robert Moss, Motor Rail incurred a pre-tax loss of £271,658 compared with £25,027.

Loss after tax was £280,570 (288,541) and after crediting extraordinary items of £1.03m. (debt £2.2m.) a net profit of £20,730, stands against a £23.5m. loss.

First half earnings are shown to be down from 2.8p to 1p per 10p share. The interim dividend is lifted from 1p to 1.1p net—costing £44,200 (£42,000)—and the same percentage increase will be made in the final. Last year's final was 1.043p.

Sales dropped from £800,761 to £222,000. Tax took £20,875 (£131,711) leaving a net profit of £22,148 compared with £112,331.

At the start of the first half industry was suffering from a severe recession which continued during the summer months, members are told, but before the end there was an upward trend in the number of orders received, and due to the decision implemented in June to reduce the labour force to the then current needs a "realistic" rate of profitability was achieved before the close of the half year.

With the ever increasing number of customers" the upward trend in orders which began in September has been more than maintained to date.

The company manufactures plastic injection mouldings.

Motor Rail £271,658

BIDS AND DEALS

Barratt in £11m. agreed offer for Janes

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

Barratt Developments, one of the country's largest house builders, has made an agreed bid by H. C. Janes, the Luton-based building and general contracting group.

A joint statement issued by both Boards last night through S. G. Warburg said that the directors regard the merger of the two groups as "a logical step" for the two businesses.

The merger, they said, should lead to a more rapid development of the two companies and the enlarged group would be better placed with the greater financial strength and expertise to take advantage of future opportunities.

The directors of Janes, who with their families and family trusts, hold some 45 per cent. of the Ordinary shares, are recommending the terms to shareholders.

Janes shareholders are being offered 35 Ordinary shares in Barratt for every 16 Ordinary shares held, valuing Janes at 75p. Shareholders will, under the terms of the merger, be entitled to retain the interim dividend declared in respect of the year ended March 31, 1976.

For the year ended June 30, 1973, Barratt recorded a pre-tax profit of £6.05m. with assets standing at £12.35m. The group profit before tax of Janes for year ending March 31, 1975, was £2.35m. with assets of £5.42m. In the first half of the current year Janes showed a pre-tax profit of £973,117 against £901,375 in the first six months of last year.

At the close, Janes were unchanged at 124p, as were Barratt at 120p.

NO PROBES

Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, has decided not to refer the proposed mergers of Tennessee Inc./Darmo Industries/AD International to the Monopolies and Mergers Commission.

TATE & LYLE

United Molasses, a wholly-owned subsidiary of Tate and

Lyle, has agreed to buy the 50 per cent. of Paktan, the storage division of Paktan, a Dutch public company, which it does not already own.

It is understood that the initiative for buying out the joint venture came from Tate and Lyle.

BTR £3m. Swiss acquisition

BTR has acquired the capital of Loestoff AG of Aarau, Switzerland for a consideration of Sw.Frs.16m. (£3m.). Of this Sw.Frs.8m. will be paid immediately and the balance will be payable by three equal instalments at annual intervals, the first on January 1, 1977.

Loestoff is principally a manufacturer of rubber products for industrial and especially for electrical and machine tool industries, and the production programme as well as the marketing spread of BTR and Loestoff are complementary.

Mr. F. Specht, present chairman of Loestoff, will remain as chairman of the company which will be renamed Loestoff-BTR. This union will permit a further strengthening of Loestoff's production programme as well as improved market presence for BTR in Central Europe.

As an alternative, shareholders have the option of 11 Barratt Ordinary shares plus £1.30 in cash for every ten Ordinary shares held, valuing Janes at 75p. Shareholders will, under the terms of the merger, be entitled to retain the interim dividend declared in respect of the year ended March 31, 1976.

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INVESTMENT TRUST SHARES SOLD

Ionian Bank is selling the holdings of its clients and associates in two investment trusts. It manages to London Trust and a number of other investment trusts, whose funds are managed at Rivecourt Management Services.

The investment trusts concerned are Danes Investment Trust and Jove Investment Trust.

In the case of Danes, Ionian Bank's clients and associates have sold 2.1m. income shares at 18p each

which amount to approximately 30 per cent. of the issued shares of this class and 15 per cent. of the

Midway dip at Tex Abrasives

REPORTING PROFITS before tax down from £130,857 to £131,727 for the six months to September 30, 1975, the chairman of Tex Abrasives, Mr. L. Evelyn-Jones, says he foresees greater profits in the second half and hopes for a full year result not "very much lower" than the £340,290 of 1974-75.

First half earnings are shown to be down from 4p to 3p per 10p share. The interim dividend is held at 0.65p net—last year's final was 0.3067p.

The chairman says that certain factors should be taken into account when comparing the results.

First, last year's first half

profit contained an element of stock profit which has not been repeated.

Six months 1975
Turnover 1,762,631 1,449,291
Profit before tax 18,777 18,697
Attributable 16,927 16,437
Dividend 11,974 12,934

Secondly, the diversification to sales to merchant outlets, sales of tungsten carbide tipped saw blades, etc., has met with so much interest that it has been decided to increase the sales personnel and marketing facilities for these projects resulting in a "considerable rise in selling costs."

Thirdly, the Sterling/Deutsche mark exchange rate fell by an average of 6 per cent. during the period, and fourthly, inflation greatly increased overheads.

Sales of coated abrasives are increasing and the diversifications will provide a spring-board for improving profitability, adds Mr. Evelyn-Jones.

First, last year's first half

voting rights. Mr. J. N. Ridgers and Mr. S. W. Francis have been appointed to the Board, and Mr. G. W. Ashfield has been appointed chairman.

Sir Robin Brook and Mr. P. Ashley Miller have resigned.

In the case of Jove Investment Trust, Ionian Bank's clients and associates have sold 14.5m. income shares at 31p a share (approximately 40 per cent. of the issued shares of that class and 20 per cent. of the voting rights).

Mr. M. F. Rawle and Mr. D. L. Rolfe have been appointed to the Board with Mr. Rawle as chairman, Sir Robin Brook and Mr. C. H. W. Robson and Mr. P. Ashley Miller have resigned.

BSC DEAL

The European Commission has given permission for the stainless steel stockholding business of Alfred Simpson, a wholly owned subsidiary of Herdwick Brothers, to be bought by the British Steel Corporation. The two organisations said last night that, with this consent, the September 18 agreement between them becomes unconditional and the transaction will be completed on Dec. 20.

The Corporation has offered continued employment to the 72 employees of the purchased business on terms and conditions comparable with those they have at present.

Simpson will be renamed Wirtschaft and continue its existing bright bar and fasteners activities at Cannock.

HERBERT MORRIS POSITION

Assurances have been given that until the Secretary of State for Prices and Consumer Protection has announced her final decision on Amalgamated Industries' bid for Herbert Morris no further shares of Herbert Morris will be acquired. Therefore, with the consent of the Panel on Takeovers and Mergers, the offer has been withdrawn.

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which amount to approximately 30 per cent. of the issued shares of this class and 15 per cent. of the

MINING NEWS

Gem prices to rise 3% in January

BY KENNETH EARSTON, MINING EDITOR

AN OVERALL increase of 3 per cent. is announced in the prices of rough gem diamonds marketed and rather more than 5m. tonnes are stockpiled. The halting of shipments has resulted in Peru losing over \$10m. per month in

little iron ore has been shipped since the expropriation and

the following companies have

dates of Board meetings to the

Executive Board meetings are

held for the inspection of constituents.

Official indications are not

able whether dividends

interim or final and the sub-

scripted below is based mainly on

year's timetable.

Pancontinental ore reserves

FURTHER drilling, the results of

which could be announced in

January, has outlined "substan-

tial" additions to the uranium ore

reserves at Pancontinental's high-

calibre Jubilab property in

Australia's Northern Territory.

The last ore reserve estimate was

of 47,300 short tons of

uranium oxide plus an un-

ferred 40,000 short tons.

are likely to be continued,

while some increase is

expected in production fo

you to next year.

The Pancontinental ore

averaged 8072 per picul to

past five months compared

at \$1,029 for the year to last.

It was \$970 yesterday. Discus-

concerning the possible tr

ansfer of the company's

still being carried out but

to be a long way from

resolution owing to financial

and legal problems. Ayer 1

were 133p yesterday.

MINING BRIEFS

CEYLON — November 1: 8.34%

net profit 72.1m. (8.1m. per cent. of net income) for the year to October 31 to

December 1975.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

GE agrees merger with Utah International

AGREEMENT in principle on a merger has been reached between the Boards of General Electric and Utah International, the large U.S. mining company which produces coal, uranium and copper.

The proposed merger, valued at \$1.8bn, would be one of the largest ever undertaken by two U.S. industrial companies. Because it involves the economic and legally sensitive area of energy resources, it is certain to receive extremely close scrutiny from the Federal Government's anti-trust enforcers.

The Federal Trade Commission in particular, has taken an active role in challenging mergers in the energy fields. Kennecott Copper is at present under an FTC order to divest itself of Peabody Coal, the largest coal producer in the U.S., which it acquired for \$600m. in 1968.

The planned merger would be achieved through the tax-free exchange of 1.8 shares of GE stock for each share of Utah International. GE, with 183.3m. shares outstanding, closed at \$7.25 on the New York Stock Exchange yesterday while Utah International with 31.5m. shares outstanding closed at \$47.

From GE's standpoint, the planned amalgamation offers valuable opportunities for acquiring an important position in fields that are closely related to many aspects of its own business, especially the manufacture of nuclear reactors and conventional electricity generating equipment.

As well as producing uranium, Utah International mines both metallurgical coal, chiefly in Australia, and steam coal. It owns deposits of iron ore and copper and participates in the development of oil and natural gas resources. During its latest financial year, which ended on October 31, it reported profits of \$135m., or \$4.29 per share, on sales of \$636m.

GE's move could give it a major advantage over its biggest competitor in the nuclear reactor and electricity generating field, Westinghouse Electric, by enabling it to supply coal and nuclear fuel to the purchasers of its power generating equipment.

Westinghouse's relationships with the utility industry have suffered during the past few years as a result of its threat to abrogate unilaterally long-term contracts to supply uranium to many of its American cus-

Oude lifts offer for SAD

By Richard Rolfe

JOHANNESBURG, Dec. 16.

OUDÉ MEESTERNEHOUW, the main liquor arm in South Africa of Dr. Anton Rupert's Rembrandt organisation, has increased its bid to gain control of its 50 per cent owned subsidiary SA Distilleries by one share, to establish one of 12 Oude Meester for one SA Distilleries and can therefore be reckoned to have improved its chances with the minority.

The original bid was announced in mid-August and rumours have been ripe in Johannesburg as to why the offer documents have not materialised. The official reason now proves to be that

following the U.K. Treasury application of October 20 that applications would be considered for individual exemption from dividend control for companies registered in the U.K., like SA Distilleries, but officially regarded as foreign companies for tax and exchange control purposes.

With SA Distilleries falling within these parameters and its dividend, 22c last year out of 118c earnings, previously affected by the U.K. controls, Rembrandt took the view that the exemption granted for SA Distilleries on November 27 made the original terms less attractive to U.K. shareholders. Hence the decision to raise the bid by one Oude Meester per SAD share.

Oude Meester also says that following the Rand devaluation in September the original terms for the preference shareholders have been revised as well since the offer of R1.50 per share no longer equates to par value. The offer for the preference shareholders has therefore been raised to R1.80 per share.

Documentation of the terms will now be posted before end January, 1976, a five-month delay from the original announcement.

Further expansion is likely to be necessary if Magirus secures a follow-up to its present contract with the Soviet Union, said Dr. Hahn.

No firm news on a new contract is likely to be forthcoming before early 1976 when the detailed Soviet five-year plan becomes available.

If the contract is landed, there should be a further build-up of the Magirus-Deutz labour force.

Production during the first six months of next year was expected to remain at the level of the last month of 1975, said Dr. Hahn.

However, Magirus believes that 1976 output will increase from 1975's 18,000 vehicles to 20,000 vehicles.

Despite the relatively poor developments in the home market, domestic turnover in 1975 reached its DM820m. target.

Now it has apparently reached

its exports of DM1.2bn. well

surpassed the planned figure. The

Magirus Deutz growth forecast

By GUY HAWTIN

MAGIRUS-DEUTZ AG, West Germany's second largest commercial vehicle manufacturer, is expecting a growth rate of over 2 per cent in 1976. Dr. Helmut Hahn, the concern's chief executive, has forecast that turnover should reach DM2.2bn. this year.

This estimate follows a huge 9 per cent increase in turnover during the current year. Final figures should show a rise of M700m. from 1974's DM1.65bn. to DM1.8bn, comfortably surpassing the targeted DM1.7bn.

The concern, at the beginning of this year, ceased to be a subsidiary of Klockner-Humboldt-Deutz (KHD) and is now jointly owned by KHD and Fiat of Turin through their holding company veco (Amsterdam) following joint agreement to co-operate in the commercial vehicle field.

FRANKFURT, Dec. 16.

Their joint subsidiary's commercial vehicle manufacturer, is expecting a growth rate of over 2 per cent in 1976. Dr. Helmut Hahn, the concern's chief executive, has forecast that turnover should reach DM2.2bn. this year.

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CDF moves for Ripolin

By RUPERT CORNWELL

THE STATE-owned chemicals concern CDF-Chimie has now formally thrown its hat into the ring as a counter bidder for the paint maker Ripolin-Georgirotting against the Belgian oil group Petrofina.

This afternoon, the Paris bourse stockbrokers association announced that CDF-Chimie is offering Frs.35 for every Frs.50 nominal share in Ripolin. The terms are conditional on acceptances covering at least 51 per cent of the company's Frs.18m. capital.

As for Petrofina, its bid of Frs.30 per share automatically Paris authorities.

becomes void and the group has

until December 22 to decide whether to improve its terms or to retire from the contest. Reports from Brussels suggest that Petrofina might have over 60 per cent of Ripolin but this picture could change completely.

The new turn in events, although widely predicted, raises several questions on French Government policy on the formalisation of "French solutions" to industrial dilemmas—for there is scant doubt that CDF is acting on the express instruction of the

French Government. On November 17, Ripolin shares stood at only Frs.64 apiece.

Montefibre to increase its capital

By ANTHONY ROBINSON

ONTEDISON, which is the controlling shareholder in the

Montefibre fibre and textile group, has finally decided to go ahead with plans to raise Montefibre's share capital following an understanding with the government covering substantial subsidised long-term credits for the conversion of its obsolete units.

Three weeks ago Montefibre announced the indefinite postponement of plans to write down its capital from L.120bn. to an understanding with the government that it will be eligible

for up to L.280bn. in subsidised credits under the terms of law 383 of 1975, to bring the new capital up to L.180bn. which covers industrial reconstruction and modernisation projects over L.10bn. monthly and Montefibre has received some capital into the group until it was not prepared to inject fresh L.8bn. under this law but only at market rates of interest due to bureaucratic delays in agreeing the extent of the interest rate subsidy. Originally this law was meant to apply only to small and medium industries and not to major groups like Montedison.

The Montefibre shareholders meeting has been called for December 20.

Decision day in Haw Par loan negotiations

By MARGARET REID

SINGAPORE, Dec. 16.

MORROW is being looked on as the breakdown or break-through day in the secret negotiations here about the undivided £14.5m. loan from the Welsh Securities now headed by Mr. Jimmy Goldsmith, the Singapore-based Haw Par

loan to Offshore Mining, a company wholly owned by the Government of New Zealand.

This is the first nine-year loan to be brought to the Euro-currency market since the summer of 1974.

The loan is priced at 13 per cent over the prevailing London interbank offered rate.

Thinking on the two sides appears wide apart and it is evident that some movement will be needed if negotiations are to break down.

However, there seems a considerable desire by both to clear up what has become a notorious issue. At SWS, there is a feeling that the new Board cannot get down to do anything constructive with the group as a whole until this matter is resolved. Haw Par, too, would like to settle the matter but neither wants to agree at what it sees as too high a price.

Offshore mining raises \$200m. nine-year loan

FINANCIAL TIMES REPORTER

THE CHAIRMAN of Offshore

loan to Offshore Mining, a company wholly owned by the Government of New Zealand,

is forming an international group of financial institutions, led by the Citicorp International Group, to provide

syndicate of banks to provide a

£200m. nine-year multi-currency

HUTCHISON OFFER

SYDNEY, Dec. 16.

HUTCHISON International said it intended to make an offer to acquire for cash the 25 per cent interest it does not already own in Hutchison International Pty.

The offer will be made through Hutchison International's wholly owned Australian subsidiary, Hutchison International Pty.

Earnings in the fourth quarter 1975 will be down about 10 per cent from the \$50.4m. earned in the fourth quarter 1974.

AP-DJ

Accumulated losses, followed by

the injection of L.120bn. to bring

the new capital up to L.180bn.

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Index rises 7.7 & volume expands 4m

BY OUR WALL STREET CORRESPONDENT

PRICES MOVED decidedly higher on Wall Street to-day, when by all appearances year-end tax-loss shed \$3 to 72.58 and Banks selling had pretty much dried up to \$1.70. There was some buying in anticipation of an expected year-end rally.

The Dow Jones Industrial Average moved up 7.71 to 344.30 and the NYSE All Common Index strengthened 16 cents to 462.44, while rises outpaced falls by \$3.71.

PARIS—Mixed to lower, influenced by investor concern about next Thursday's Public Sector strike.

Banks, Foods, Rubbers, Engineering and Stores lost ground.

The Foreign sector was mostly better. Gold Mines also improved, while Coppers were mixed.

BRUSSELS—Mostly lower in very slow trading.

Steel declined. Metals were narrowly mixed. Chemicals eased, while others were mixed. South African Gold Mines, firms, Dutch sector weakened. French issues mostly lower. Germans finished steady.

AMSTERDAM—Narrowly mixed in all dull conditions.

Banks, Insurances, Transportations and Dutch Industrials were mixed.

Bonds were again quiet with some price down 30 pennings on year-end position closing. Mark

Indices

NEW YORK

DOW JONES AVERAGES

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1973 Low

1973 Close

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FARMING AND RAW MATERIALS

EEC to end
rawler
uel aid

By Robin Reeves

BRUSSELS, Dec. 16.
EEC APPROVAL of fuel subsidies for rawlers will not be extended beyond the end of the year. This became clear here yesterday when Agriculture and Fisheries minister of the N.U.K. told the Council of Ministers he supported a French bid for a further extension.

M. Marcel Cavaille, the French secretary of State responsible for Fisheries, argued that difficulties in the French fishing industry were still grave and that the Brussels Commission should, therefore, prolong the aid allowed for aid.

All other Common Market ministers argued against any extension, however. Ireland's grousing so on the grounds that fuel subsidies were a distortion of competition. For the moment, Mr. Peart, the agriculture minister responsible for agriculture, said he was prepared to study the situation in more detail, but warned that the each Government should not say aid until this study was completed.

The French minister also sought extension of the ban on imports into France of tuna, anted by the Commission in a spring. But again it indicated that this was unlikely, the market had im-

proved.

Smaller wool clip forecast in Australia

SYDNEY, Dec. 16.

STRALIAN WOOL production 1975/76 would be 790,000 tons, compared with 792,500 in 1974/75, said the Australian National Council of Woolspinners' production forecasting committee.

Raw wool, including crutch, was expected to total 8.6m. kilos (734,600).

The Council also said that sales rose to 1,440,484 bales the first five months of the 7/8 season to end-November, or 1,407,608 in the correspond-

ing period last year.

Total proceeds in the five months rose to \$A287.8m., from \$250.8m., reflecting the sales increase and a rise in the average gross price per kilo 183.84 cents, from 124.63.

The Australian Wool Corporation is to give a practical demonstration of sale by sample at auction in Belgium next March after

the marketing code wireless traded

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STOCK EXCHANGE REPORT

Equity markets undeterred by Chrysler statement
Share index up 4.3 at 367.8—Gilt quiet firm

Account Dealing Dates drawing from selling supplies of the short "tap". Treasury 103 per cent, 1979, "A" at 95%; it was generally assumed that he would resume operations at 95%. However, demand was not followed through and the tone eased before improving again after the Chrysler statement, which at first glance, appeared not as bad as it might have been.

Equity markets made further progress yesterday but in a continuing paucity of business. After an extremely quiet start, leading Industrials met fresh scattered buying and prices edged higher. News of the Government's statement on the Chrysler situation, which came after the House close, prompted dealers to mark prices lower, but buyers were showing interest at the lower levels and the final tone was fully firm. The FT-share index closed 4.3 higher at 367.8.

Gilt made a quiet firm showing, closing with widespread gains ranging to 4. The Government Securities index improved 0.10 to 55.51. As with the equity leaders, the Chrysler statement had no adverse effect on sentiment.

Second-line equities fared little better in the way of activity than the leaders. Newcomers, overseas companies, were firm, this being reflected in a majority of rises over falls by nearly 2-1 in FT-quoted Industrials. Official mark-ups of 4.544 (the lowest recorded for more than three months) compared with 5.333 on Monday and 5.833 a week ago.

Gilts generally firm

A more general firmness in British Funds took long-dated issues, which benefited owing to a switch of interest away from the recently popular near-medium stocks. The latter were unusually quiet and unaltered, while gains of 1 appeared against longer-mEDIUMS and most longs. At the shorter end of the market, the tendency was initially encouraged by the Government broker with

ances attracted a modicum of buying interest and edged up a few cents. Gilt-makers, Accidental, added at 138p and Southers Evans at 41p. Stephenson put on 3 to 30p in Lloyd's brokers ahead of tomorrow's annual results.

There was little worthy of note in Breweries, but Distillery issues took selective support. Ahead of to-morrow's annual statement, Distillers encountered a mixed business and closed 2 down at 144p, up 1, while Teacher (Distillers) put on 7 to 215p.

Buildings had several firm spots. Marley featured with a rise of 5 to a 1975 peak of 98p on the

Tunnel 'B' 4 higher at 184p. Following the merger of Magnet Joinery and Southern Evans, dealings were started in Magnet and Southern; the shares opened at 161p and closed at 164p.

After reaching a 1975 peak of 320p, KCI eased slightly to close only a penny better on balance at 320p.

ATV 'A' hardened 2 more to a 1975 peak of 73p on the chairman's statement.

Burton 'A' please

Burton 'A' featured, closing 5 higher at 30p, after 32p on the maintained dividend and better-than-expected preliminary results. Other Stocks attracted a reasonable 10 to 11 pence, but closed with little alteration. Marks and Spencer held at 65p, while Debenham, 83p, and UDS, 86p, both finished a penny harder. Hall and Earth hardened a shade more to 10p on further consideration of the interim report. Formaster put on 4 more at 76p, while similar gains were recorded by Midland and Southern, 86p, and 89p.

Levers, 49p, and A. G. Clark, 230p, to 232p, while Midland put on 2 to 282p. Standard and Chartered recovered 7 to 487p among Overseas issues, but Hong Kong and Shanghai Banking receded 6 to 244p, Bank of New South Wales 20 to 650p, and National Bank of Australia 7 more to 238p. Distillers, 215p, improved 3, followed by a rise of 3 in Alexander's, 215p and Union 333p.

The only movement worthy of note in quiet Merchant Banks was a fall of 10 to 100p in Arbutnethot Latham, reflecting selling in a thin market. Hire Purchases finished modestly firmer following a little fresh support on hopes of a relaxation in BFT controls. UDT added a penny at 17p and Lloyds and Scottish 2 at 74p.

Life Offices hardly stirred all day, although Composite insurance

still on take-over hopes, firms 4 to 108p. Decca, 260p, and "A" 230p, added 6 and 5 respectively. The half-year results left Ward and Goldstone unmoved at 80p.

The leaders headed the list of gains on Engineering. Two

Investments being especially prominent at 302p, up 8, while

GKN moved ahead 6 to 235p and

Hawker 4 more to 344p. Vickers

were also 4 better at 145p.

George's Economist rose 5 to 88p,

after 83p, following the "rights" issue, profit and dividend forecasts.

Reflecting the chairman's encouraging statement at the annual meeting, Lucas Industries edged up 3 to 175p. Associated Engineering moved up 2 to 76p, sentiment being helped by good results from the company's South African subsidiary, Harrow Industries were also notably firm at 43p, up 3. The planned merger with Traction is not to be referred to the Monopolies Commission. In Saracens, British Coal Auction closed unchanged at 453p, after 45p, following the interim statement.

Motors and Distributors held up well, sentiment not being noticeably affected by the Government's "Think-Tank's" severe criticisms of the industry. Reflecting the chairman's encouraging statement at the annual meeting, Lucas Industries edged up 3 to 175p. Associated

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Commission. In Saracens, British Coal Auction closed unchanged at 453p, after 45p, following the interim statement.

Inveresk continued to thrive on gilt speculation, a pending offer of around 80p per share was mooted, and rose to 85p before a close of 3 higher on balance at 84p.

Among other Paper/

Printings, J. Waddington gained 4

to 125p and Chapman (Balham)

3 to 128p, while Compton Part-

ners, in Advertising Agencies,

Ocean Transport, Awaiting to-

date, Interiors, and Unigate im-

proved a shade in light trading.

Renewed small buying interest brought fresh minor gains in the Property leaders, where MEPC, ahead of to-morrow's preliminary statement, firmed another penny to 89p. Land Securities initially

easier at 183p, improved to 186p

for a net gain of 2, while British

Land put on 1 to 16p. Secondary

issues displayed a firm bias, with

Property Holding and Investment

featuring at 190p, up 7, in res-

ponse to the good half-year state-

ment. The increased interim

gains were generally trimmed

back later. Pilkington, however,

featured with a rise of 10 to 232p

in a thin market, while

in a short burst, while British

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FT SHARE INFORMATION SERVICE

HANKS AND HIRE PURCHASE

BUILDING INDUSTRY—Continued

DRAPERY AND STORES—Continued

ENGINEERING

**BRITISH FUNDS										
1875	High	Low	Stock	£	+	or	Int.	Red.	Yield	
	"Sheriffs" Lives up to		Five Years)							
99 1/2	94 1/2	84 1/2	Exchange 5pc 1870-88	98 1/2	-1	6 56	10 9			
97 1/2	92 1/2	81 1/2	Treasury 5pc 1870-88	97 1/2	-1	6 70	11 1			
99	97	87	Victory 4pc 1870-88	99 1/2	-1	4 04				
102	96	86	Treasury 10pc 1870-88	99 1/2	-1	10 56	11 1			
95 1/2	88 1/2	78 1/2	Treasury 6pc 1870-88	95 1/2	-1	6 57	10 6			
95 1/2	86 1/2	76 1/2	Electric 3pc 74-77	95 1/2	-1	3 16	6 8			
103 1/2	96 1/2	86 1/2	Treasury 11pc 77-88	100 1/2	-1	11 40	10 2			
93 1/2	84 1/2	74 1/2	Treasury 3pc 77-88	93 1/2	-1	3 22	6 5			
96 1/2	90 1/2	80 1/2	Transport 3pc 77-88	92 1/2	-1	4 32	8 1			
180 1/2	95	85	Treasury 5pc 1870-88	94 1/2	-1	9 51	11 7			
88 1/2	79	69	Exchequer 5pc 78-88	88 1/2	-1	5 64	9 7			
103	94 1/2	84 1/2	Treasury 11pc 78-88	99 1/2	-1	11 50	10 0			
81 1/2	71 1/2	61 1/2	Treasury 3pc 78-88	81 1/2	-1	3 66	8 7			
83 1/2	73 1/2	63 1/2	Electric 3pc 78-88	83 1/2	-1	5 10	9 5			
100 1/2	94	84	Treasury 10pc 78-88	95 1/2	-1	10 98	11 9			
95 1/2	85 1/2	75 1/2	Do. 10pc 1870-88	95 1/2	-1	15 93	11 9			
82 1/2	71	61	Electric 3pc 78-79	82 1/2	-1	4 25	2 9			
95	84	74	Treasury 5pc 1880-82	90	-1	10 80	12 0			
95 1/2	89 1/2	79 1/2	Treasury 5pc 1880-82	91 1/2	-1	10 82	12 0			
82 1/2	68 1/2	58 1/2	Treasury 5pc 1880-82	82 1/2	-1	4 25	8 2			
85 1/2	71	51	Funding 5pc 78-90-82	85 1/2	-1	6 17	9 3			
Five to Fifteen Years										
97 1/2	92 1/2	77 1/2	Treasury 11pc 1881-88	95 1/2	-1	12 11	12 3			
79 1/2	64 1/2	50 1/2	Do 3pc 78-81	79 1/2	-1	4 48	8 8			
51 1/2	72 1/2	50 1/2	Do 5pc 80-82	54 1/2	-1	10 91	12 6			
104 1/2	86 1/2	72 1/2	Treasury 12pc 1880-88	99 1/2	-1	12 40	12 6			
78	58	48	Funding 5pc 82-84-86	71 1/2	-1	7 79	10 9			
85 1/2	61 1/2	47 1/2	Treasury 8pc 84-86-88	77 1/2	-1	11 10	12 7			
73 1/2	51 1/2	37 1/2	Funding 5pc 85-87-88	67 1/2	-1	9 86	12 0			
76 1/2	53 1/2	37 1/2	Treasury 7pc 85-88	72 1/2	-1	11 22	12 7			
47 1/2	52 1/2	37 1/2	Transport 3pc 85-88	43 1/2	-1	6 94	11 7			
56 1/2	59 1/2	37 1/2	Treasury 5pc 85-88	51 1/2	-1	9 92	12 6			
75 1/2	54 1/2	37 1/2	Funding 5pc 85-88	66 1/2	-1	12 46	13 6			
Over Fifteen Years										
57 1/2	41 1/2	30 1/2	Funding 5pc 87-91-95	51 1/2	-1	11 45	13 5			
9 1/2	85 1/2	70 1/2	Treasury 14pc 1887-95	85 1/2	-1	15 09	14 9			
97 1/2	83 1/2	70 1/2	Treasury 13pc 1887-95	83 1/2	-1	15 08	14 9			
55 1/2	40 1/2	30 1/2	Funding 6pc 1887-95	49 1/2	-1	12 51	14 7			
75 1/2	54 1/2	40 1/2	Treasury 8pc 84-86-88	64 1/2	-1	14 18	14 7			
34 1/2	24 1/2	14 1/2	Gas 3pc 80-85	30 1/2	-1	9 84	12 7			
102	75	55	Treasury 12pc 1887-95	85 1/2	-1	15 08	12 7			
71 1/2	54 1/2	34 1/2	Treasury 8pc 82-87-95	61 1/2	-1	14 28	14 6			
73 1/2	52 1/2	34 1/2	Do 2pc 1887-95	50	-1	10 22	12 7			
86	86	76	Treasury 13pc 87-95	86 1/2	-1	15 55	12 2			
82 1/2	89 1/2	76	Do 13pc 87-95	82 1/2	-1	15 16	12 2			
67 1/2	53 1/2	43 1/2	Treasury 8pc 1897-95	62 1/2	-1	14 57	14 5			
59 1/2	40 1/2	30 1/2	Treasury 8pc 83-93-95	59 1/2	-1	14 09	14 7			
50 1/2	32 1/2	22 1/2	Funding 5pc 83-93-95	50 1/2	-1	15 02	14 9			
62	47	37	Treasury 8pc 03-06-93	56 1/2	-1	13 38	13 9			
43 1/2	33	23	Treasury 5pc 08-12-93	53 1/2	-1	14 75	14 88			
59 1/2	43 1/2	33	Treasury 8pc 12-93	54 1/2	-1	15 07	15 04			
Undated										
29 1/2	22 1/2	16 1/2	Consols 4pc	27 1/2	-1	15 32				
27 1/2	20 1/2	15 1/2	Wt. Loan 3pc	25 1/2	-1	14 71				
27 1/2	22 1/2	15 1/2	Com. 3pc 61 AR	24 1/2	-1	14 73				
22 1/2	17 1/2	12 1/2	Treasury 5pc 65 AR	20 1/2	-1	15 27				
18 1/2	14 1/2	10 1/2	Consols 2pc	16 1/2	-1	14 92				
18 1/2	14 1/2	10 1/2	Treasury 5pc	16 1/2	-1	15 41				
**INTERNATIONAL BANK										
69 1/2	58	50	5pc Stock '75-85	69 1/2	-1	7 37	12 2			
92	91 1/2	82 1/2	5pc Stock 1876	92	-1	8 16	11 2			
**CORPORATION LOANS										
87 1/2	80 1/2	65 1/2	Bircham 5pc 1881-91	85 1/2	-1	11 24	14 0			
94	87	72	Smith 6pc 75-77	94	-1	6 51	12 22			
90 1/2	82 1/2	67 1/2	Essex 5pc 75-77	90 1/2	-1	6 65	12 23			
97 1/2	90	80	G.L.C. 6pc 1876	97	-1	6 56	12 6			
92 1/2	85	75	Do 7pc 1877	92 1/2	-1	7 55	12 27			
99 1/2	92 1/2	82 1/2	Do 12pc 1877	99 1/2	-1	13 36	12 7			
75 1/2	63	52	Herts 5pc 78-80	75 1/2	-1	7 12	15 6			
91 1/2	83 1/2	73 1/2	Liverpool 5pc 78-87	91 1/2	-1	7 63	12 47			
89 1/2	71	61	Do 5pc 80-81	89 1/2	-1	12 20	13 36			
23	17 1/2	12 1/2	Do 5pc 1877	23 1/2	-1	15 23	12 7			
88 1/2	77 1/2	67 1/2	London Corp. 5pc 75-78	85 1/2	-1	7 50	13 02			
81	65 1/2	55 1/2	Do 5pc 78-85	76	-1	12 45	14 24			
87 1/2	75 1/2	65 1/2	L.C.C. 6pc 75-78	87 1/2	-1	6 26	12 57			
72 1/2	55 1/2	45 1/2	Do 5pc 77-81	57 1/2	-1	6 26	12 57			
55 1/2	45 1/2	35 1/2	Do 5pc 78-84	58 1/2	-1	9 37	14 51			
55 1/2	40 1/2	30 1/2	Do 5pc 85-87	50 1/2	-1	10 85	14 41			
60 1/2	42	32	Do 5pc 88-90	51 1/2	-1	12 57	14 91			
21 1/2	15 1/2	10 1/2	Do 5pc 90-95	19 1/2	-1	15 62				
85 1/2	82 1/2	72 1/2	Middle 5pc 75-77	85 1/2	-1	6 26	12 45			
77 1/2	64 1/2	54 1/2	Do 5pc 1880	74	-1	7 09	13 45			
89 1/2	76	64 1/2	Newcastle 5pc 78-80	85	-1	10 88	13 45			
101 1/2	94 1/2	84 1/2	Warwick 10pc 1880	96 1/2	-1	12 96	13 43			
COMMONWEALTH & AFRICAN LOANS										
96 1/2	89 1/2	74 1/2	Aust 5pc 74-76	96 1/2	-1	6 28	11 8			
25 1/2	20 1/2	16 1/2	Do 5pc 75-78	84 1/2	-1	6 62	12 75			
78 1/2	64 1/2	50 1/2	Do 5pc 77-80	76 1/2	-1	7 18	13 17			
69 1/2	55 1/2	40 1/2	Do 5pc 81-82	68 1/2	-1	8 17	13 17			
80	71 1/2	55 1/2	N.Z. 5pc 1878-79	79 1/2	-1	5 83	12 22			
79 1/2	66 1/2	50 1/2	Do 6pc 78-80	79 1/2	-1	7 72	13 04			
69 1/2	54 1/2	40 1/2	Do 7pc 80-82	65 1/2	-1	9 77	13 75			
82 1/2	72 1/2	52 1/2	Do 7pc 83-85	82 1/2	-1	11 41	13 75			
61	40	30	SLB. Rhode 2pc 85-91	43	-1	—	—			
57	40	30	Da 5pc 78-81	57	-1	—	—			
LOANS (Miscel.)										
47	36	26	Agric. M. 5pc 58-62	41 1/2	-1	11 77	15 09			
73 1/2	52 1/2	42 1/2	AIC 10pc 58-62	45	-1	15 91	11 11			
44	35	25	AMF 5pc Cons. 87	37 1/2	-1	5 75	12 2			
20 1/2	11 1/2	8 1/2	Alma 5pc 58-62	37 1/2	-1	5 75	12 2			
43 1/2	21 1/2	11 1/2	Asker 5pc 87-91	37 1/2	-1	10 07	12 5			
70 1/2	57 1/2	47 1/2	Baker 5pc 75-81	52 1/2	-1	12 51	14 9			
71 1/2	70 1/2	57 1/2	Bell & Howell 5pc	54 1/2	-1	14 18	14 7			
24 1/2	15 1/2	10 1/2	Bendix Corp. 55	56 1/2	-1	12 50	14 7			
17 1/2	11 1/2	7 1/2	Bentley Corp. 55	57 1/2	-1	14 18	14 7			
76 1/2	53 1/2	43 1/2	Beth. Corp. 55	58 1/2	-1	15 31	14 9			
55 1/2	45 1/2	35 1/2	Beth. Corp. 55	59 1/2	-1	15 31	14 9			
55 1/2	40 1/2	30 1/2	Do 5pc 1877	59 1/2	-1	9 77	14 93			
52 1/2	42	32	Do 10pc 1878-81	59 1/2	-1	10 57	14 93			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	59 1/2	-1	14 57	14 7			
53 1/2	26 1/2	16 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
53 1/2	21 1/2	16 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
77 1/2	75 1/2	65 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
75 1/2	73 1/2	63 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
75 1/2	71 1/2	61 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
75 1/2	71 1/2	61 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
75 1/2	71 1/2	61 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
21 1/2	17 1/2	12 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
75 1/2	71 1/2	61 1/2	Chesn. Corp. 55	60 1/2	-1	15 07	14 7			
FOREIGN BONDS & RAILS										
1875	High	Low	Stock	£	+</					

FT SHARE INFORMATION SERVICE

BANKS AND HIRE PURCHASE

1973	Low	Stock	Price	+ or -	Div	Ctr	YTD	PE	High	1973	Low	Stock	Price	+ or -	Div	Ctr	YTD	PE	High	1973	Low	Stock	Price	+ or -	Div	Ctr	YTD	PE	High		
2	22	12	Alderman Sec. 10p.	21	-	40	67	4	9	40	24	Manders Holdings	34	-	12.8	2.8	6.7	6.0	401	15	Time Prods. 10p.	331	-	1.36	16.3	5.9	1.9	501	21	11.1	11.1
3	23	14	Alexander's D. 1p.	218	+3	61	66	8.2	121	24	25	Marsfield	116	+2	12.77	4.6	3.8	5.8	112	23	UDS Group	36	-	14.68	2.1	9.6	1.2	112	24	11.1	11.1
4	24	15	Algemene F. 100.	100	-	10.20p	1.8	3.6	15.5	98	25	Marley	98	-	5.04	2.4	3.8	4.8	30	16	Upton Eng. A.	30	-	12.17	2.1	11.1	6.7	112	24	11.1	11.1
5	25	16	Allen Harvey 1p.	370	-	113.5	5	5.6	—	78	26	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Metson Fast 10p.	40x	-	10.35	3.6	8.2	5.2	24	26	11.1	11.1
6	26	17	Altair Irish.	124	-	Q25%	—	5.0	—	95	27	Mars & Hassell	760	-	2.22	2.2	1.9	4.1	49	18	Wade's A. 10p.	45	-	1.65	3.9	7.0	5.6	55	18	11.1	11.1
7	27	18	Anglo Corp.	14	-	10	17.61	—	—	24	28	Mars Bros.	29	-	1.52	1.4	11.7	9.2	44	21	Walter J. 1p.	45	-	1.76	4.6	6.3	5.3	61	21	11.1	11.1
8	28	19	Arbuthnott L. 1.	163	-	10	7.5	—	—	52	29	Martell L. & W.	62	-	1.93	2.2	3.2	5.1	42	21	Watkins & Gillow	51	-	1.76	4.6	7.1	4.7	61	21	11.1	11.1
9	29	20	Bank Amer. 5125	522	-	1	Q1.68	—	—	60	30	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
10	30	21	Bank Am. 5125	522	-	1	Q1.68	—	—	60	31	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
11	31	22	Bank Am. 5125	522	-	1	Q1.68	—	—	60	32	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
12	32	23	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	33	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
13	33	24	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	34	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
14	34	25	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	35	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
15	35	26	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	36	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
16	36	27	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	37	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
17	37	28	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	38	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
18	38	29	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	39	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
19	39	30	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	40	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
20	40	31	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	41	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
21	41	32	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	42	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
22	42	33	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	43	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
23	43	34	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	44	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
24	44	35	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	45	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
25	45	36	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	46	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
26	46	37	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	47	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
27	47	38	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	48	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
28	48	39	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	49	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
29	49	40	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	50	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
30	50	41	Bank Ireland 1p.	360	-	5	Q16%	—	—	55	51	Marsfield's Rev.	74	-	4.26	2.5	2.9	3.2	51	26	Watkins & Gillow	51	-	1.65	3.9	7.0	5.6	55	26	11.1	11.1
31</td																															

INDUSTRIALS—Continued

INDUSTRIALS—Continued

PROPERTY—Continued

TRUSTS, FINANCE, LAND

TRUSTS—Continued

MINES

CENTRAL RAND

1975	Low	Stock	Price	+ or -	Cv. Grs. PE	High	Low	Stock	Price	+ or -	Cv. Grs. PE	High	Low	Stock	Price	+ or -	Cv. Grs. PE	High	Low	Stock	Price	+ or -	Cv. Grs. PE	High	Low	Stock	Price	+ or -	Cv. Grs. PE	High	Low																
11	5	Johnstone & S. Ltd.	10	-2	0.49	2.4	2.4	8.2	13	-2	5	Wood Ind. 10p	5	-2	1.2	2.4	1.2	1.2	10	Rock & Gr. 20p	17	-2	0.7	2.4	1.2	1.2	1.7	4.47	19.6	13	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	
12	45	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Aberdeen Inv.	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
13	21	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
14	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
15	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
16	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
17	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
18	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
19	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
20	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
21	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
22	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
23	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
24	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
25	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
26	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
27	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
28	145	Johnstone Corp.	27	-2	1.25	1.7	1.9	9.5	7	-2	5	Wood Ind. 20p	50	-2	1.2	2.4	1.2	1.2	12	Evans Inv. 10p	32	-2	1.45	2.4	1.2	1.2	1.4	3.4	2.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
29	145	Johnstone Corp.	27	-2	1.25	1.7																																									

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FINANCIAL TIMES

Wednesday December 17 1975

The best place from
which to reach any
point on the
circumference is
the centre
Bradford
is the centre
of Britain

City of Bradford Metropolitan Council

U.S. calls for lower oil price as Paris dialogue starts

BY ROBERT MAUTHNER

THE 27-NATION North-South a minimum safeguard price for oil to protect their investment in new energy sources.

But Dr. Kissinger, unlike the Foreign Secretary, went out of his way to point out that it was "crucially important for oil prices to be reduced."

The "arbitrary increase" in the price of oil had been a major contribution to the recent high rates of inflation and unemployment, he said, and had led to serious payments deficits, both indirectly through a global recession and directly through higher-priced imports.

Hardest hit

The non-oil developing countries had been the hardest hit by these developments. A lower price would allow a more rapid economic recovery in the world, would help the developing countries by reducing their enormous payments and debt burden, and would increase foreign demand for their exports.

A lower price, together with supply stability, would also benefit producer nations over the longer term by easing the urgency for consumer countries

to develop alternative supplies to shoulder the responsibility for the developing countries' problems.

Mr. Callaghan said that the U.K. accepted its responsibility of participating in the conference as part of the EEC. The U.K. would work to ensure that the Community position would be as constructive and as comprehensive as possible "in a grouping of nine" separate Governments with wide-ranging interests.

Bilateral and multilateral aid, along with direct investments, would finance about \$25bn. of this. But it remained an open question whether borrowing on international capital markets could again make up the balance next year.

To deal with this situation, Dr. Kissinger reiterated all the proposals being discussed in various international forums, such as the IMF, notably the creation of a \$1bn. to \$2bn. trust fund, and the selling-off of IMF gold, some of the proceeds of which would be used for development aid.

Although the U.S. Secretary of State did not make his expected threat that the U.S. would cut off aid to developing countries if they continued to support the oil producers' cartel, he stressed that the industrialised countries alone could not be asked to meet the industrialised countries' problems.

Industrial action by doctors to continue

By Christian Tyler, Labour Staff

UNIOR DOCTORS last night postponed for another week a decision on whether to call off the industrial action that has severely disrupted many hospitals.

Their "emergencies-only" sanctions are to continue while the wording of an agreement reached between their negotiators and Mrs. Barbara Castle, Social Services Secretary, is tightened.

The decision of the 55 national representatives of 18,000 junior hospital doctors means that there is still a chance that industrial action will be called off before Christmas.

It came after nearly nine hours of angry debate at British Medical Association headquarters in London. Despite the high feelings there were few indications for action to continue indefinitely.

The doctors were considering the text of an agreement reached last week under which most of their demands over overtime pay and working hours for new contracts are to be referred to the profession's independent pay review body.

That body is unlikely to be able to assess the evidence and complete its report until the end of next month.

The national committee meets again next Tuesday to hear whether the last half-dozen points have been cleared up to their satisfaction.

Weighell accuses Crosland in railway cuts row

BY LORELIES OSLAGER, LABOUR STAFF

ACRIMONY between the Government and railway unions over proposed railway cuts reached a new pitch yesterday when a senior Minister accused the unions of basing their case on a "load of codswallop" and was called a "bloody liar" in return.

Mr. Anthony Crosland, Secretary for the Environment, was evidently trying to dampen the flames when he told the House of Commons that forecasts about massive cuts in the railway network should be treated with incredulity and were "a load of codswallop."

But instead of being reassured, Mr. Sidney Weighell, general secretary of the National Union of Railwaysmen, reacted most angrily when addressing a protest rally against railway cuts shortly afterwards.

Necessary

Mr. Crosland was "a bloody liar," Mr. Weighell declared. The unions have calculated that the Government's new limits on rail revenue support and investment would mean a reduction in British Rail's route network.

Nevertheless, Mr. Weighell touched on a highly sensitive

issue involved in union sponsorship of Labour MPs.

Last October, the House of Commons Committee of Privileges said that the executive of the Yorkshire area council of the National Union of Miners had shown serious contempt of Parliament in a resolution instructing its sponsored MPs not to act against union policy.

At the rally, Mr. Weighell

warned that if the cuts went ahead, the NUR might have to instruct its 10 sponsored MPs not to support the Government.

"It may be necessary for us to say to the Government that unless they change their course of direction in the rail industry, we shall not hesitate to say to our 10 NUR Members of Parliament that they will not support this Government no matter how critical the situation."

But later he somewhat

retracted this threat. He had no intention of bringing down the Government and had only intended to say that NUR-sponsored MPs should not vote for any measures that could lead to a cut in the railway services.

The review is still at an early stage. Mr. Crosland has undertaken to give a statement setting out the Government's conclusions, but this is not now expected until well into the New Year.

Plans for computer privacy safeguard

BY CHRISTOPHER LORENZ

THE GOVERNMENT yesterday proposed extensive legislation to protect the privacy of personal information held in computers, and a Data Protection Committee will be set up in the next few weeks.

Proposals contained in a White Paper on "Computers and Privacy" could give Britain some of the toughest controls in the world, since they cover computer files in all levels of government, as well as in the private sector.

Legislation proposed would establish a "code of standards" for the use of computers which handle personal information. It would also establish a permanent independent statutory agency, the Data Protection Authority, possibly with extensive registration and licensing powers over computer use.

The new committee will advise the Government on how to formulate detailed legislation, including what form the authority should take. No timetable has been made public, but the committee is likely to report within 18 months, and it could take at least as long again before legislation became effective.

Improper use

Over the past year, the White Paper has been extensively revised and is understood to be much tougher than earlier draft versions.

Also published was a report, giving for the first time a detailed description of where and how computers are used in all levels of government. The Home Office said the review disclosed no evidence to suggest that fear about the improper use of these computers was justified by present practice, but admitted that computers "could pose a potential threat for the future."

For this reason, the Government had decided that the proposals for safeguarding the privacy of personal information held in computers should apply to government departments as well as other parts of the public sector and the private sector.

The British Computer Society welcomed the proposals, but criticised the lack of detail on linkage of information between files, systems and different installations.

"Computers and Privacy," Cmnd. 6353, S.O. Price 29p. Report: "Computers: Safeguards for Privacy," Cmnd. 6354, S.O. Price 55p.

A program to protect us. Page 21.

THE LEX COLUMN

Chrysler's future requirements

Index rose 4.3 to 367.8

ally adjusted, reached an annual rate of 350,000 in October, third quarter starts were 40 cent up on a year earlier. Ley Buildings is reporting more higher profits, the retail side, putting on substantial extra space and seeing no slackening of demand, while there has been a recovery in foam. Walling Weston, in plastics, has been dull, but there are signs of a revival. And a much better trend in Europe is shown through in early returns for current year, though France takes several years to turn round. As for liquidity, gearing ratios are down on a year ago, and Ley has not yet touched its £15m. five-year facility with Barclays.

Burton Group

Burton Group has maintained its gross dividend—and "A" shares rose 5p to 50p yesterday for a gain of nearly 50% this month. But the trading outlook is poor and statement contains nothing

to allay the longer-term doubt though there is certainly immediate crisis. The debt equity ratio is still under 1.

Following an 85m. rise in earnings in 1974-75; capital spending is being kept within the level of property sales; pressures on working capital have been eased by the findings of the menswear operation externally. Meanwhile, properties are still well

near balanced sheet figures for shareholders' funds around end 1973-74 figure of £18m.

It is still going to be quite some time though before the group earns anything like a adequate return on these assets, with only £30.7m. for the year against £32.29m.; most areas are still under a cloud and the latest figure takes in losses of over £1m. in France and a rather smaller deficit in Germany.

One of the few comforting features is that Finance for industry has not become involved. By remaining aloof, FFI has confirmed that it really is only interested in lending on a commercial basis and that it is not a pawn either of the Government or of its clearing bank shareholders.

For the record, the Think Tank report shows that even in the relatively happy days of 1970 to 1973, Chrysler U.K. was by any yardstick the most unprofitable motor manufacturer in Europe, and that its capital spending was also at the bottom of the league. By these standards, yesterday's call from Rolls-Royce (1971) for £100m. into the red last year. However, the success of Top Shop at Runcorn and Greens after a £1.45m. loss in 1974-75; capitalisation

is still going to be quite some time though before the group earns anything like a adequate return on these assets, with only £30.7m. for the year against £32.29m.; most areas are still under a cloud and the latest figure takes in losses of over £1m. in France and a rather smaller deficit in Germany.

Overall pre-tax profits emerge fractionally higher at £11.47m. good enough to leave the shares 3p higher at a new 1975 peak of 66p. But a higher tax charge, a pension fund appropriation and sharply higher minorities (mainly reflecting changes in Irish taxation) all eat away at the net figure, and earnings have fallen from 11.6p after last year's £77.000 loss.

Overall though, with property sales profits probably low, there is an obvious threat to advance in the current year. The signs are encouraging. Roofing and flooring are being boosted by the housebuilding upturn—housing starts, seasonal

attractions in a capitalisation

Europe court cuts £4m. sugar fines

BY A. H. HERMANN

THE European Court in Luxembourg yesterday cut by £60,000 the £4m. fines which the EEC Commission had imposed on 16 European sugar companies.

The Court also quashed five out of the nine counts on which the Commission found the companies guilty of restrictive practices and abuse of dominant position by allegedly pushing up prices and unfairly protecting their market shares.

It completely cleared all the six Italian companies involved and one of the three German companies.

The decision amounts to the biggest defeat suffered by the EEC Commission in the European Court so far, particularly as the reasoning behind the judgment rejects the Commission's approach as fundamentally wrong.

The Court concluded that the sugar marketing system of the EEC left hardly any competition for the accused companies to distort or eliminate.

As for the Italian companies, the conduct for which they were condemned by the Commission was found to result from Italian national marketing rules and practice.

The Court found that the sugar marketing system of the Community, emerging from its transitional stage, left only small room for residual competition within its narrow price limits and instead of creating a common market, divided the EEC into national markets by means of a quota system.

"This situation cannot lead to the conclusion that restrictive practices of enterprises can make the disadvantages of such a system still worse," said the Court.

It added that, in view of this situation, the conduct of the enterprises could not be judged as rigorously as was usual in other antitrust proceedings.

The judgment does not contain any reference to the criticism of the Commission contained in the Opinion of the Court's First Advocate-General, M. Henri Mayras, who held that the Commission failed in its duty by not taking steps against the Italian price fixing and quota system for sugar.

But the Court has underlined this point by hearing on the same day two other cases referred from Italian courts questioning the compatibility of the Italian system with EEC rules, immediately after it had announced its judgment.

In addition to clearing the Italian companies, the Court also rejected the accusation of Belgian and German companies of conspiracy to protect their shares of the Dutch market by allegedly controlling deliveries from Belgium and from the western regions of Germany.

The Court has also annulled the Commission's guilty of exerting economic pressure on Dutch importers to restrict imports.

The court cleared the German Südzucker Verkaufs GmbH of the charge that it pre-

vented its agents from selling sugar from other refineries.

The largely successful appeal of the 16 leading European sugar companies brings to an end a saga of EEC antitrust enforcement.

A conflict between the Sugar Directorate of the Commission and its Competition Department was in the background of the January 1973 "Sugar King" decision which was regarded by Commissioner A. Borschet as a blow on behalf of Europe's consumers.

The decision released an avalanche of documents which jammed the translation department of the European Court for the best part of three years.

Submissions amounted to 9,000 pages, the summing-up of the Reporting Judge to almost 700 pages. The reasoning of the judgment takes 200 pages.

Weather

UK TO-DAY

A COLD, northerly airstream covers most areas and there will be wintry showers, with snow over hills and night frosts inland.

London, South England, the Midlands, Wales, Northern England.

Bright and cold but mainly dry. NE wind. Night frost. Max. 3C (36F).

Lakes, Isle of Man, W. Scotland, Northern Ireland

Mainly dry with bright periods. Wind northerly. Light. Max. 5C (41F).

Outlook: Mostly dry and cold with night frost and fog.

Lighting-up: London 16.22.

Manchester 16.20; Glasgow 16.13.

Belfast 16.23.

Snow reports Page 7

HOLIDAY RESORTS

Yesterdays

Mid-days

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